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INDUSTRIAL AND RAILROAD CONSOLIDATIONS

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I.

A GRAVE DANGER TO THE COMMUNITY.

It is, perhaps, ungracious to sound a harsh note in a company so happy and well content as we are to-day in Wall Street.

My excuse must be that I honestly believe that we are liable to lose our heads; that we have entered on business methods that may lead us to the brink of disaster, if, indeed, they do not land us over the brink. On the other hand, these business methods have been inaugurated, and are vouched for, by a company of men who have never known failure, and who may succeed in steering us safely over what appears to my old-fashioned eyes a very treacherous deep.

It is certain that under the direction of these men stocks are booming. Sales are making at a rate unprecedented in the financial history of the world. Everybody is accumulating money.

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Millionaires are created almost over night. Even the messenger boys are sharing in the good times. Opulence is in the air, and contentment is written on every face. The Street is in its heyday. Why, then, give a danger cry, when perhaps no danger exists?

Because, to me, there seems to be something very much like sleight-of-hand in the way in which industries are doubling up in value, as at the touch of the magician's wand. Here we have a factory—a good, conservative, productive investment—which may be turning out anything from toys to locomotives. It falls into the hands of the consolidators, and, whereas it was worth $50,000 yesterday, to-day it is worth $150,000—at least on paper. Stocks are issued; bonds are put out; and loans are solicited, with these stocks as security. The man who owned the factory could probably not have borrowed over $10,000 on it. Now, however, when the $50,000 plant is changed into a stock issue of $150,000, bankers and financiers are asked to advance $60,000 or $70,000 on what is practically the same property, and many of them, from all accounts, make the advance.

Under these circumstances, a "squeeze" seems to me inevitable. The Clearing House is reporting, from week to week, an expansion of loans far beyond anything that was dreamed of heretofore. This cannot go on forever; yet, from all appearances, the era of consolidation has only set in.

A reaction must come as soon as the banks realize the situation. A property is not worth $50,000 one day and $150,000 the next simply because a company of men, no matter how big and important they are, say so.

It is truly remarkable, the increase which has taken place in requests for loans based on industrials. No one can even estimate the amount of money that has been advanced on securities of this class; but it is a conservative estimate to say that industrial loans are as ten to one compared with conditions a few years ago. This is apparent from the business offered at my office from day to day. The volume of money in the country is entirely inadequate to meet anything like the demands that are made on collateral of this class. In fact, we have gotten away entirely from the old idea of making the money of the country the basis of our trading. Instead, there is thrown into the business world, to be used as a trading medium, millions upon millions of new stocks, the real value of which is yet to be determined. As soon as this

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is thoroughly realized, we may look for trouble, pending a readjustment. This can be predicted with perfect safety. If no other cause brings this condition about, it will come when the great volume of railroad bonds now being prepared for public subscription is offered. Securities of this class always have the preference with lenders; and when they come into the market by wholesale, as they must, there will undoubtedly be considerable suffering, and interest rates will advance sharply. Loans on industrials will be called. New loans will be made only on prime railroad stocks and bonds. But it is fair to assume that the business world will adjust itself to the new conditions, for the country is undoubtedly in a prosperous condition.

As to the final value of these industrial consolidations to any class in the community, that is still to be proven.

The great success of the Standard Oil Company is always adduced by the believers in consolidation, whenever the scheme is attacked. It is true that this company has had enormous success, and that it has benefited the community. It has lowered the price of oil, bringing it down gradually from forty-five cents to seven or eight cents a gallon. Through its excellent management it has evolved methods for using all the by-products of crude oil, and, first and last, has added many hundreds of millions to the wealth of the country. It has made its owners, the capitalists, very rich, and it has acted well by its employees and by consumers.

But if consolidation has produced all these things, it has also, in the case of this company, produced a feeling of unrest and disquiet, industrial and political, that threatens, sooner or later, to bring serious results. Every Legislature in the land, almost, has attacked it at one time or another. It has become a by-word among all classes, and is pointed to in every community as one of the dangers of the Republic. Over and over again, it has been the issue in political campaigns. Men who were its competitors have accused its officers of all sorts of practices. Congressional committees have sat in inquiry on it, States have risen against it, criminal courts in many parts of the country have had its alleged crimes on their dockets. Of course, the greater part of this agitation has been entirely unjustifiable. The charges of criminal aggression, when traced, have been found to emanate almost invariably from irresponsible sources. The complaints of unfair practices have been voiced generally by men who were

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driven to the wall in trade competition, because they could not dispute the market with a concern so magnificently organized.

But the very groundlessness of most of the complaints ought to be viewed by conservative men as a danger signal. Such complaints, persevered in as they have been, show that the community opposes the idea embodied in this great monopoly, and that it is willing to seize on any pretext to make clear this opposition.

Is it desirable to add to institutions that cause such commotion and keep all the newspapers in the land, rightly or wrongly, busy with denunciations? I doubt it. The chief owners of the Standard Oil business have grown so enormously wealthy that, in their individual as well as in their corporate capacity, they dominate wherever they choose to go. They can make or unmake almost any property, no matter how vast. They can almost compel any man to sell them anything at any price.

So shrewd and careful an observer as Henry Clews, in a recently published article, touching on this tremendous power as brought to bear in Wall Street, summed up the situation very clearly, saying:

"With them, manipulation has ceased to be speculation. Their resources are so vast that they need only to concentrate on any given property in order to do with it what they please; and that they have thus concentrated on a considerable number of properties outside of the stocks in which they are popularly supposed to be exclusively interested, is a fact well known to every one who has opportunities of getting beneath the surface. . . . . How much money this group of men have made it is impossible even to estimate. That it is a sum beside which the gain of the most daring speculator of the past was a mere bagatelle is putting the case mildly. And there is an utter absence of chance that is terrible to contemplate. This combination controls Wall Street almost absolutely. Many of the strongest financial institutions are at their service in supplying accommodations when needed. With such power and facilities, it is easily conceivable that these men must make enormous sums on either side of the market."

Surely that is not a desirable state of affairs, and a condition that breeds it ought hardly to be extended. And with all its vast wealth and domination to-day, the Standard Oil Company started out modestly enough. It built up conservatively from small beginnings. It bought the properties it controls to-day at fair prices, and built them up by the application of close business principles, little by little.

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But under the new order it is different. The consolidations of to-day begin at the very outset with capitalizations that cast all past experiences into the shade, and that almost stagger the imagination. The steel combination now forming, we are told, is to start off with a capitalization of $1,000,000,000. This is more than one-half of the National Debt. It is one-seventieth of the entire wealth of the United States. The total money in circulation in the United States, according to the Treasurer's statistics, is $2,-113,294,983. It will be seen, therefore, that this company's issue of securities will represent practically one-half of the entire volume of money in America. In a year or two, if precedents count for anything, this capitalization will be very largely increased, and that in spite of the fact that stockholders in the Steel Company, which was the basis of the new combination, got three shares of stock in the new company for one in the old—scores of millions being thus added to the interest-earning securities in the United States, by merely the stroke of a pen. When wealth is created in that way, what security is there for the whole scheme? Not another furnace added to the plant; simply a lifting process, and what was one million before is three millions now. The great experience and strength of the men who produced this change will make us accept the new valuation, and that is all there is in it.

If any of the men in whom we very properly have this confidence should die suddenly, everything would be disorganized. Even as it is, things may break at a critical period, and then we shall have to find a new level with considerable trouble and agitation to ourselves. Just at present, no one can say, with anything like accuracy, where we stand.

The great railroad combinations we have had thrust on us recently I consider only less dangerous than the industrial combinations, because they are based on sounder considerations. Their stocks and bonds have not, in general, been doubled or trebled, nor unduly inflated. But they are bad, nevertheless. They are sure to arouse the people. And the people, once aroused, are more powerful than the railroad combinations. It is right and proper that the capitalist who invests his money in railroads or other great enterprises should be assured of a reasonable and fair return; it is right that railroads should have an agreement not to cut rates below a fair profit-making figure.

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But this should be done in conventions, by meetings, by agreements—not in the stifling of competition.

Farmers will consider themselves injured by rates, States will inaugurate inimical legislation, and there will be deep hostility to combined capital.

Sir Richard Tangye, the great English iron master and economist, gives us an unprejudiced view of what may come of the wholesale attempt to kill off legitimate competition. He says:

"America will one day awake to the stern reality of the evil, and when its terrible nature is fully realized some strong legislation must follow.

"I believe if legislation does not step in and treat these men as it would treat other deadly enemies of the state, there will be such an uprising in the States as has not been since the accession of Abraham Lincoln to supreme power. There is no tyranny in the world to be compared with the tyranny of the active, scheming gold tyrant. It is inconceivable that 70,000,000 free Americans will bend their necks to such a sordid despotism. If they do, they will deserve to be enslaved."

This is a violent view, and one perhaps unjustified by the circumstances as we know them nearer home; but there was a time when we looked on the Englishman's view of our institution of legalized human slavery as violent. That something may come of Sir Richard Tangye's prophecy of retaliative legislation was made manifest during the last session of Congress. One of the leaders of the Republican party—the party that has always been the friend of capital, as it has been of labor—introduced a measure cutting off the protective duty on the products manufactured by the big steel combination. Nothing came of this measure, but its very introduction was a political straw that should exercise a restraining influence on the capitalists who are rushing pell-mell into the new system of "concentrated management," as they call it.

They had better remain content with the old-fashioned system of honest competition, under which we have grown great as a nation and prosperous as a people. RUSSELL SAGE.

II.

THEIR ADVANTAGES TO THE COMMUNITY.

ON one point Mr. Sage is undoubtedly right. There is in the community a general feeling of hostility towards the railroad

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and industrial consolidations that have been effected and towards those that are now under way.

This hostility is strong, but undefined. Much of it has come, undoubtedly, through the teachings of the newspapers, and, in a measure, through the speeches of political orators. It began when the "trust" came into being as the result of an effort to obviate ruinous competition. The "trust" was found a very cumbersome structure, and the law of the land declared it illegal. It was not a consolidation in any sense of the term, and differed entirely from the business scheme under which the consolidations of to-day are being effected and operated. Under the "trust" system the stocks of various and competing organizations were trusteed in the hands of a few men, to whom was given absolute and unqualified power to do what they saw fit with the properties placed under their control. It was not on its face a healthy arrangement, and it met with violent opposition on all hands.

The new system in force to-day is neither illegal nor, so far as our experience thus far has shown, harmful to the community. But the people at large have not yet learned to distinguish between the new and the old, and the odium attaching to the "trust" is visited on the consolidation. The old scheme left intact all the corporations it found in existence. In the nature of things, no economy in production could be effected. All the old officers of the individual organizations remained.

Certain plants were shut down to restrict the output, but this process affected only the workingmen who were thrown out of employment. The high-salaried men continued to draw their pay, and large bonuses were paid regularly to the stockholders or owners of the plants that had been put out of business. Increased profits, therefore, could generally be obtained only by an increase of price for the product, which was saddled on the consumer. Under the new system, a different usage prevails. Operating expenses are reduced by combining a number of institutions under one management. Useless officers and unproductive middlemen are cut off. The systems of purchasing and distributing are simplified. Economies are effected by the direct purchase of material in large quantities, or, better still, by adding to the combination a department for the acquisition and control of the sources from which raw material is drawn. Thus, the Carnegie Company, which was the highest type of this system,

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took its iron from its own mines, made its coke in its own ovens, worked up its material in its own furnaces, and shipped the finished product over its own railroad or in its own vessels. In the great Krupp Iron Works, of Germany, this system has been in operation for two generations; and, instead of arousing public antagonism, the Krupps have the admiration and good will of the entire German nation, from the Emperor down.

What has just been effected in the great steel combination is simply an enlargement of the Carnegie plan, and, when the value of the great properties combined is taken into consideration, the capitalization of one thousand million dollars is not exorbitant. The Carnegie Company by itself was a colossal institution, so colossal that it dominated the steel market absolutely. But because it happened to be a single company, its tremendous proportions aroused no particular opposition. It was considered a fine, healthy enterprise, as it should have been considered, and Mr. Carnegie and his partners were not looked upon in any sense as "trust" magnates. While hostilities to many other concerns were raging at their fiercest, the organization of the Carnegie Company was not once impugned by the anti-consolidationists.

From all accounts, the workmen of the Carnegie Company were among the best paid artisans in America. The company could afford to pay high wages, because its men worked under the most perfect and compact conditions. Nothing was wasted, nothing of the earnings went to middlemen, who are mere leeches sucking sustenance from the business body without giving anything in return.

In the nature of things, a plant bought out or added to the Carnegie Company's properties became, by the mere fact of such addition, greatly more valuable than it possibly could have been under independent management and control. There was lopped off at once the item of executive expenses. There was no president's salary to pay, no vice-president's, no office force. The purchasing agents, with their salaries and commissions, became things of the past. The product was worked up in the most scientific and economical manner and put on the market under the best conditions.

The point, therefore, made by Mr. Sage, that a factory worth $50,000 to-day is necessarily improperly rated at $150,000 to-morrow, because it has been combined with others under one

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managerial head, has not all the force that might appear from the bald statement of the facts as Mr. Sage puts it. A property is not necessarily worth only what it represents in the way of real estate, building and plant. It is worth rather what it represents in earning capacity; and, if, under a combination, its earning capacity is trebled, because of the economy of production, it is not unreasonable to say that its value has been trebled, even though nothing tangible has been added to its material assets. Hard and fast rules do not apply to the value of anything. A piece of property worth $1,000 to-day may be worth $2,000 to-morrow, merely because some improvement has been made in the neighborhood which adds to the rental value of the property in question. Lands showing evidences of iron deposits, which, ten years ago, could have been bought for ten dollars per acre, or even less, are now worth $50,000,000. Not cost, but earning power, is the measure of value. This fact is exemplified every day in almost every community in the country; and no man would dream of protesting against the increased valuation, or object to the placing of a loan at such increased valuation. It is a business proposition and must be treated as such.

On the other hand, many properties are not worth the price that was paid for them, though they may have been extensively improved. English agricultural lands represent to-day a far higher type of farming than they ever did before, but they are not worth nearly as much as they were twenty-five or fifty years ago. The opening of the great West here in America has given the English farmer a competitor whom he cannot meet on an even plane. In consequence his land, though it has lost none of its productiveness, is worth very much less, because the market value of its produce is worth less.

The feeling existing against consolidations, as I said before, is undoubtedly general, but investigation will prove that it is almost invariably unreasonable. That is to say, as an open proposition, the majority of people will declare themselves against these consolidations, say they are bad for the country and speak of the danger that lurks in the "trust"—as they still call it, though it no longer is a "trust" in any sense. But they are rarely able to give any specific reasons for their belief.

There are a few men—that is, comparatively few—in the community who can advance good reasons for their opposition.

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They are the ones who have been caught between the upper and the nether mill stones; they are the middlemen, and the small competitor who was unable to meet the larger concern in the open market. To them, consolidation has been a distinct injury. This is apparent, and, under our social and business system, inevitable. The aim in business, as in politics, is to do the greatest good to the greatest number; and the greatest number—so far as we can now see—is apparently benefited by the consolidations. Almost every improvement that helps the masses brings injury to individuals here and there. The building of a railroad into a new territory puts the owner of the stage coach out of business. Trolley cars that have sprung up all over the country have done grave damage to the local hackmen and livery stable keepers. But the community which is brought into touch with the outer world by a new railroad, and the village or town that gains the advantage of cheap and quick transportation by means of the trolley car, are benefited so much more than the stage owners and hackmen are injured, that the balance is easily in favor of the improvements.

In all such improvements the chief beneficiary is the workingman. The only asset he has to sell is his time. He cannot afford to pay a quarter for a hack ride, but when the trolley comes and he gets a quick ride for five cents, it is a good business investment for him. The rich man is not particularly affected by the appearance of the trolley. He still rides in his carriage.

We are, as yet, only on the threshold of the new era in the business world, and no one can say positively that the present order of things is and will be for the best. That is still to be proven, and it can be proven only by time. All we can say is that, so far as we have gone, the results are certainly favorable. Against the alleged injury that is intangible, can easily be put the benefit that can be shown by figures—benefit to the workingman, benefit to the consumer, benefit to the capitalist. Wages are higher, prices are lower, investments are safer, more productive and more certain of return.

Where great consolidations have been effected there is no longer any danger of disturbance in the trade through the erratic action of an individual owner. Strikes are much more remote where a general and uniform rate of pay is fixed by a central management.

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An excellent illustration of this was seen during last year's strike in the anthracite coal regions. There the general scale of wages was depressed because of the presence of a considerable number of independent operators, who could not or would not pay their men as well as the big companies—the railroads—could pay, because the latter could look for profit both by mining the product and carrying it to market. Again, a settlement of the strike was delayed because the smaller operators felt they could not afford the increase agreed upon by the railroad mining company. The conditions in the coal region illustrate very forcibly the value to the workingman of a condition where one corporation handles the product from beginning to end, thereby ensuring larger profits, of which it can afford to give its employees a part in the shape of higher wages and steadier employment.

The workingmen benefit also in another direction, where the concern for which they work is backed by ample capital and has the benefit of concentrated management. They are assured the use of the most perfect machinery. A big concern can afford to make improvements and put in the latest machinery, because such improvements and machinery necessarily add to the productiveness of the plant at a rate that will soon make good the expenditure. The smaller concern, while it realizes this fact, is unable to avail itself of the latest appliances, because it has not the necessary capital to invest.

Another advantage of prime importance to the workingmen is that they may easily participate in the profits of these enterprises by investing their savings in the shares of the more solid and prosperous concerns. Over $2,400,000,000 are deposited in the savings banks of the United States, largely made up of the savings of the wage-earners, and this represents only a portion of their accumulations. With these vast resources at command, the workingmen of the country might, in a few years, acquire a large interest in the concerns in which they are employed. The opportunities thus afforded for safe and lucrative investment will enable them to share in the profits, and thus unite the rewards of capital and labor.

The consumer is assured of lower prices when a big concern is the producer, because such a concern must have a steady market for its output in order to keep its machinery busy. The loss of a day is a large item. Therefore, in self-defence the big con-

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cern must keep its prices within the figure that will secure the greatest number of purchasers.

Moreover, if the result of these industrial consolidations is to steady and relatively reduce the prices of their products, the gravest of the speculative popular objections to them will be obviated and public opinion will speedily recognize the benefits to the people at large of this new and improved machinery of production. The very motive of self-interest, even the law of self-preservation, dictates a policy which is as necessary to the lasting business prosperity of these concerns as to that popular approval without which they cannot permanently endure.

This is the theory of the new business consolidations, and their promoters, judging by the results attained so far, believe that it will work out—that it is a good policy and a wise one for everybody. Should experience prove that it is not a good condition for the people at large, it will very soon be upset. Politically, the scheme has never been passed upon as yet; and, if it proves a good scheme, it may never be a distinct issue in politics. If the prosperity of the country (much of which, I believe, is due to the consolidations and economies effected so far) continues, the people will be content to let well enough alone. If, however, it is shown that we are on the wrong track, and that consolidations are harmful to the people in general, as has been so frequently stated, the question will undoubtedly be settled at the polls.

There was much talk during the last Presidential election of the "trusts" and the "trust" issue; but, to my mind, it had very little influence one way or the other with the voters. More pressing issues obscured it, and it was only a side affair, so that politically it is still to be settled, if the situation warrants.

There is one thing that the people who deal lightly with the new business scheme, and who want to sweep it aside as a menace, forget. We have reached a stage in our national development where business must be done on a different plan from that which served us well half a century ago. In 1865, when the War closed, we had thirty-five millions of people; to-day we have over seventy millions. That is, we have doubled our population in thirty-five years. If we are advancing at the same rate—and indications point to the conclusion that we are—we will have over one hundred and fifty millions in 1935. In other words, we are adding at the rate of one and a half to two millions a year to our

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population. Thirty-five years ago, or even ten years ago, horse-cars served admirably the purposes of urban transportation. To-day, we could not possibly get along without the trolley. And as it is with physical conditions, so it must be with economical conditions; we must keep pace with the times. We have reached a period where the old-fashioned methods will prove inadequate, if the masses of the people are to continue in the enjoyment of the prosperity to which they are entitled. There are too many people to be fed, housed and clothed to permit of the wasteful system which would maintain a horde of idle middlemen. People in this country live better to-day than they ever did before in their lives. This is due, I believe, very largely to the improved methods of production. There are fewer drones in the hive, fewer people who share the results of work without doing any work themselves.

All progress is the development of order. A uniform method is the highest form of order. The benefit accruing to the people, and the extent of their progress, will be in proportion to the extent of the application of uniform methods to the production of what they require.

In railroading, consolidation so far has worked as satisfactorily as it has in other lines of business. Operating expenses have been very materially reduced by combining properties, and thus cutting down the list of high-priced officers. Where there were half a dozen or a dozen presidents, each drawing a big salary, within a certain territory, the railroads have been put under one management, and we have one president, who can easily do the work of all the others, and do it on one salary. It is a curious thing, in this connection, that, while the protests against consolidation have generally come from men and newspapers who talk as the special representatives of workingmen, the real hardship of consolidation, if there is any, has fallen upon the men who drew fancy salaries, and did very little to earn them. These men were generally stockholders in the concerns in which they held office. Every small railroad that began nowhere and ended at the cross-roads, had its president, vice-president and so on, all of whom, under the new order of things, have disappeared. These men were essential under the old order. In many cases, they were the builders of the roads, big and little, that have been merged; but their usefulness has ceased and they are now victims of the new conditions created by our ever-increasing population. They were

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the men, very often, who created good, healthy competition. But the day for such competition—in railroads, at least—has pretty well passed away in this country. We now have railroads enough to insure the handling of all reasonable traffic, and to add indiscriminately to the mileage would simply increase the cost of this handling. It would benefit nobody. Indiscriminate railroad building is the worst possible thing for the public, in a well-settled community where the roads in existence are sufficient for the traffic. The public in the end pays the cost. A railroad must either earn the money to operate it, or else borrow. In either case the expense is saddled on the people. If there are two lines where one line will suffice, the added burden falls on the public.

In Europe, where the population is dense, this fact has long been recognized, and the paralleling of a railroad is forbidden by law. Good service can only be given by a road that is making money. A road operated at a loss will inevitably run down, and the people who are compelled to use it will be the chief sufferers.

The road that can give the longest haul in its own cars over its own lines, can make the lowest rates, and yet earn more money than could be made on a haul of the same length where the cars have to run over half a dozen lines, each separately operated by a staff of expensive officials. If, at the end of the haul, the railroad can transfer the goods or passengers from its own cars to its own steamships for carriage across the ocean, the process is continued. Having no separate company and office organization to be supported out of the earnings of the steamships, it can give better service for less money than its competitor less fortunately situated. That is a self-evident business proposition.

There is no longer danger of an unjust squeezing of the public by the railroads through exorbitant rates. The law of the land distinctly provides that the charges a railroad makes for freight or passenger traffic must be "reasonable." Now, what is a "reasonable" charge? It is based entirely on the cost of operation and maintenance, and its relation to the value of the property used. In this item are included the payment of interest on bonds and a fair return, in the shape of dividends, to the stockholder.

If there are two roads to be maintained and operated where there is use for only one, the traffic must somehow be made to bear the burden, and the basis of the "reasonable rate" is neces-

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sarily raised. Competition for traffic may force a temporary reduction, but, ultimately, the public must make up its mind to foot the bill.

Where rate wars are precipitated, the injury to the people along the line is about as great as it is to the railroads. This is true particularly in the smaller towns, which are at a considerable distance from the great distributing centres, and where, therefore, freight rates have a determining influence on the prices of commodities. The rate wars unsettle values, and the business man knows hardly from day to day where he stands. One merchant may be put to a heavy loss because he has brought in a big consignment of goods at one rate, while his neighbor across the way brings in his consignment the next day at a much lower figure. Stable and reasonable rates are absolutely necessary to the consistent well-being of the community. There was a time, perhaps, when railroads gouged people at non-competitive points, but that time has passed. Both business prudence and the law now regulate these things. Therefore, railroad consolidation, with its more economical operation, means as much to the advantage of the producer and the consumer as it does to the stockholder of the road. Each will share with the other in the result—the one in the shape of more "reasonable" rates, and the other in more certain dividends.

JAMES J. HILL.

III.

WHAT MAY BE EXPECTED IN THE STEEL AND IRON INDUSTRY.

THE larger the output, the smaller, relatively, is the cost of production. This is a trade axiom. It holds good whether the output consists of pins or of locomotives. Where the output is produced by fixed processes the rule applies with especial force. It is much more economical, proportionately, to run three machines under one roof than it is to run one. It is cheaper to run a dozen than it is to run three, and cheaper still to run a hundred. Therefore, the large plant has an undoubted advantage over the small plant, and this advantage increases almost indefinitely as the process of enlargement continues.

It is the recognition of this principle that has brought about

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the era of business consolidation now in full swing in the United States. Of course there are limits beyond which this cannot be carried. It is possible to conceive of an enterprise so huge that it would be unwieldy, but, thus far, the danger point in this direction is not in sight. Our enterprises have grown steadily, and at present they have reached proportions that would have been deemed impossible twenty-five years ago. The fact that they are possible now, that they run absolutely without friction, demonstrates that our economical progress is no more rapid than our enlarged knowledge warrants. We handle a hundred thousand men to-day as easily as we handled a hundred fifty years ago. This has been made possible by our superior machinery and by the development of a superb industrial system.

One of the most considerable items of cost in manufacture has always been the labor of supervision. This class of labor produces nothing, yet, in a measure, it is the most important division in the industrial scheme. Under the system of concentrated management, this item is considerably diminished. Useless officials are lopped off in all directions, and that without impairing the efficiency of the service. On the contrary, the efficiency is increased; for the new system brings a specialist of a high class to do the work that was performed under the old by a dozen or two dozen men who had no special fitness for the work, but who, nevertheless, being generally large stockholders, drew large salaries as president, vice-president and so on. An excellent illustration of this point in favor of the new system is furnished by the Metropolitan Street Railway Company of New York City. This company acquired eighteen distinct lines, each supporting a full complement of officers. The lines were consolidated, the officers wiped out. Mr. H. H. Vreeland was made president of the combined system. He performs all the duties that formerly fell to the eighteen separate presidents, and, being a high grade specialist, performs them very much better. The improved street-car service of the metropolis bears eloquent testimony to this. Eighteen vice-presidents and secretaries and treasurers have given place to one official of the same rank under the combination, and so the process has been carried out all along the line.

Can any one doubt that here is a distinct and an excellent economy? It has been the cutting off of a lot of dead wood. No injury has been done to any one by this process, and the

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benefit that has accrued from it is immeasurable. The community has better service than it could have looked for in fifty years under the old scheme. The stockholders have more certain and growing returns, for the business of the old companies has been trebled by the new, thanks to the improved service. The number of workingmen employed in the service has been increased five-fold and their wages have been increased from 25 to 100 per cent. All this has come about because the roads under combined management could avail themselves of expert services the employment of which, under separate management, was out of the question. Real greatness in all business depends mainly on the degree of skill exercised in supervision. The industry that is in a crude state requires little direction. As it progresses, this requirement grows steadily in importance. It grows also in cost, as the degree of skill demanded becomes greater. In the original state where society is thoroughly primitive, every man is at once his own producer and his own supervisor. The frontiersman fells the trees in the forest out of which he builds his cabin. A little later, as the scheme of settlement proceeds, the work of the people separates naturally into specialties. The farmer no longer builds his own house, but hires a carpenter for the purpose. Then the carpenter becomes a contractor, employing masons, carpenters, painters, bricklayers, etc. And so the scheme goes on, until all enterprises are laid out in distinct divisions.

Heretofore, it has been considered that this system could continue indefinitely along natural lines. The whole scheme of business was distinctly individual and self-formative. Competition was deemed the life of trade. The more competition, the better for all concerned. A few saw the wastefulness of this system, but there seemed apparently nothing better to take its place. Here and there, a venturesome soul tried to apply the logical solution, combination, but this was cried down on all sides. It meant, according to the popular conception, monopoly and industrial tyranny. Men who knew nothing of the science of business proclaimed the doctrine that combination meant oppression of the workingman and the domination of a plutocracy. In spite of this opposition, the system developed, though slowly, because its merit forced the most unwilling to give it a hearing. Its larger application proved that, instead of grinding the workingman and victimizing the consumer, it produced a higher

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standard of wages and a lower cost in the market. The effect of combination was found to be that it cut down the cost of supervision, the non-productive element of labor; that it made possible the highest development of mechanical appliances; that it displaced the middle-man who, at every step between production and consumption, was wont to take a big slice of profit, adding so much to the ultimate cost without adding anything to the value. The combination proved that the principle of economy that was found effective where a hundred machines were worked under one roof instead of ten, applied where one hundred plants were conducted under one consolidated management, instead of under one hundred separate managements.

It was such a logical result that the only marvel is the opposition which the combination has had to overcome. Still greater is the marvel that to-day, when the wisdom of combinations has been so thoroughly demonstrated, such opposition to the scheme is still to be found in the most intelligent quarters. That there should be political agitators who oppose the idea, and that there should be newspapers who war against it, is conceivable. Both politicians and newspapers are dependent upon a division of popular sentiment. There is still a considerable body of our people who find the cry against combination attractive. Necessarily there must be found political men and newspapers to lead this body. With them it is a question of bread and butter. But that men like Mr. Sage, and others similarly situated, who have unlimited opportunities for investigation and observation, and who have nothing to gain by hitching their fortunes to popular clamor, should be unwilling or unable to see the wisdom of consolidation in business, is remarkable. The question is not at all debatable if it is dispassionately investigated. Its advantages to all classes are so great that opposition to it has just as much reason as opposition to the present railway post-office system would have. The men who exclaim against the combination idea might just as reasonably exclaim against the scheme of carrying the mails on the railroads, instead of by pony express as they used to be carried.

From every standpoint, the benefit that comes from a combination managed on sound business principles is apparent, provided it is capitalized on a conservative basis and is not made up of dead plants in part or whole. The consumer gets better

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goods for lower prices. Here and there, a combination may have been effected with the idea of increasing the cost to the buyer, but wherever this has been the case the combination has failed. It was bound to fail. Any industry that is important enough to warrant combination is important enough to attract capital in competition, if it endeavors unfairly to increase the price of its production. A combination, like an individual concern, can only hold its trade provided it gives the best goods at the lowest market price consistent with a reasonable profit. No matter how great an industry may be, it cannot possibly hope to monopolize the trade in its line, unless it controls some peculiar process or patent. In that event, there is no need of combination, and the monopoly is no greater, even if a combination is effected, than it was before. The Standard Oil Company, which was one of the pioneers in the scheme of combination, and which undoubtedly stands to-day as one of the highest types of the possibilities of the scheme, was never at any stage able to effect a monopoly. It has to-day, and always has had, a very considerable competition. It made hundreds of millions of dollars for its chief stockholders, not because it increased the price of oil, but because it lowered it. That was the only reason why it continued to exist and to flourish, to meet all competition and to overcome it. It gave the consumer more for his money than he had ever received before; and, therefore, the consumer made the company great and prosperous. Wise business men realize that a successful trade is an expanding trade, and that an expanding trade can only be had by steadily making concessions to the consumer, where the conditions of the trade warrant.

That there is danger to the state in the combination is a preposterous idea. On the contrary, the well managed combination is a distinct gain to the state. Any one who doubts this need only consult the foreign newspapers. Everywhere, he will find a cry of industrial alarm levelled, not at the individual American manufacturer, but at the American nation. This is because the combination has done for the American state what the individual was never able to do—put it in industrial control of the world. A system that in a few years can do this ought certainly to be encouraged, and as it benefits the state it necessarily benefits the individuals who make up the state. The capitalist and the laborer are equal sharers in the advantages the

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new scheme offers. Capital finds itself more amply protected, and labor finds an easier route to a partnership with capital. To the workingman, the combination offers the most feasible scheme of industrial co-operation ever presented. Without waiting for any one's invitation, he may secure a partnership in the combination for which he works by investing his savings in the open market in the stock of the concern. Under the individual system, the ordinary workingman, the plodder, could no more aspire to a share in the profits of the business he helped to create than he could aspire to a coach-and-four. As soon as the advantages of the new scheme in this direction are made generally manifest, the workingman may be relied on to improve the opportunities offered, and in a comparatively few years we will undoubtedly see that a very large percentage of the stock in industrial enterprises is held by the workers. Already, ownership in these enterprises has become tremendously enlarged. Where a comparatively few men held interests in our factories and mills a few years ago, the number is now increased a hundred fold, and the process of distribution is continuing steadily.

For the exceptional worker the advantages are even more manifest. In the first place, his pay is larger and will continue to grow larger; and his services will, with each succeeding year, be more eagerly sought for. Great enterprises depend to a much more pronounced degree on high grade skill than do smaller ones. They must continually create new trade in order to live and grow. They can only do this by having and holding in their service the best men. As the advantages they get out of such men are scattered over a much wider field, they can naturally afford to pay better than the concern whose sphere is limited. This brings about a natural and continuous increase in remuneration for the high grade specialist. Under the old individual business scheme, the skilled worker had only limited opportunity for increased pay, and practically no opportunity for a partnership participation. Business enterprises, with a few notable exceptions, were held as close family corporations. Outsiders were rarely admitted. No matter how expert these outsiders were, they were held all their lives on a salary. The concerns where this rule did not apply expanded much more rapidly than their competitors, but the example so set was apparently not sufficiently attractive to induce its general application. It remained for the

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system of combination to make the scheme general, and to open up for young men of brains opportunities that heretofore have been closed to them. Instead, therefore, of restricting the opportunities for the mass of men, as the political agitators and others tell us is the case, the era of combination has very materially enlarged these opportunities. The spread of the system will make for general financial competency, at a rate that will astonish the unthinking when they see the results.

One of the greatest advantages that will come of the concentration of industries is the development that it will bring to our latent resources. Under the expensive system of individual control, much of our natural wealth remained unavailable, and would have so remained for a long time to come. Where each step in the process of production had to yield a distinct profit to a certain class of men, the margin was not sufficiently large to warrant the exploitation of many fields rich with raw material. A concern that produces its own raw materials, and works them up through the various processes until it delivers the manufactured product in the domestic or foreign market, can work on a narrower margin all around, and yet do full justice to its stockholders and employees. Naturally, it can control in the markets and develop its trade, where a concern working under less scientific processes would be shut out. The iron business was kept back in this country for many years, because there was no connection between the various industries on which it depended. The ore deposits were owned by one set of men. The coal deposits were owned by another set. The coke was made in a hundred different places, scattered throughout several States, under separate management. The mills and furnaces, in turn, were owned separately; and, when these mills and furnaces, having bought their iron here and their coke there, and their other products elsewhere, finally produced their iron and steel, there were still other processes that the product had to go through at other points, before it could finally be landed in the market. Everything was disconnected and disjointed. It was not until the whole process was welded into a continuous chain under one management that the American iron industry began to make the giant strides which have now carried it into a position where it dominates the whole world. Now we mine our own iron and our own coal; we make our own coke. We carry these products

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on our own vessels and on our own railroads to our own furnaces, and then we carry the raw steel and the raw iron to our own mills and other plants, to be worked up under our own supervision into final shape for direct use in construction. Nothing is left to chance. Every step of the process is carefully worked out in advance. All waste is cut off. Every hand that is laid on the production pushes it along. Instead of being jerked here and there on side tracks, and paying for the privilege, the material, from its raw state to the finished product, is held under one control.

The reasonable man must admit that such a process cannot harm the community; that where all wasteful side issues are cut out and no one is paid except the actual worker, the results must be beneficial to the people at large, as well as to the persons directly concerned. If the system has worked so well in a comparatively restricted field, its enlarged application is certain to bring even better results relatively. The men concerned in this enlargement feel very certain of the ground on which they stand. They have proceeded on the most conservative basis. They have depended, not on speculation and theory, but on facts and figures. They have gauged the future very carefully by the past. They have built the new enterprises, not in the belief that they can effect a monopoly, but in the belief that they can so expand the system of economies that every one will profit, the consumer and the workingman most of all.

Supremacy in handling and transforming the raw products of the earth is to be won, not by monopolizing their production, but by handling them in such a scientific manner, in the process of manufacturing, that the cost is kept down to the lowest possible figure. A monopoly in the iron and steel business is an impossibility. No man, or set of men, could possibly bring such a thing about. No rational person would dream of attempting it. A monopoly of the wheat fields of Minnesota and the Dakotas, or of the fruit groves of California, would be simple by comparison.

No great amount of harm can be done hereafter by the men who continue to agitate against the science of business consolidation. The system is here to stay, and the people, confronted on every hand by the benefits accruing to them from it, will refuse to be seriously misled. At one time, there was danger that the

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development of the plan might be checked by unwise political action, but in my opinion even this danger is past. The politicians who get in the way of human progress always come to grief. The politicians who attempt to obstruct industrial development on the line along which it is moving are attempting to obstruct human progress, and the result will be inevitable. The question is really not a political one at all, and those who persist in making it political may find that they have been playing with fire. If the issue should come before the voters to-day, even though it were stated flatly as a "trust issue," it is my belief that the verdict would be, "Hands off." The country has never been so prosperous, and in a large measure this prosperity is undoubtedly due to the fact that we are managing our business affairs on an advanced basis. The most prosperous industries are those in which the consolidation idea has been carried to the greatest extent under wise management. In those industries, work is the steadiest and wages the highest. In the face of such a showing, no body of intelligent people, such as our voters are, would deliberately fly against their own interest. The chance is remote, however, that the issue will ever come up squarely at the polls, and with each succeeding day the prospect of this is bound to grow less. In spite of the politicians, who, with the fatuity often manifested by their class, misconceive public sentiment entirely upon the matter, the question will, I believe, be permitted to work itself out, as it should, in the factory and in the counting room. It is a clean-cut business proposition, and has no more place in politics than a question prescribing a general style of type in newspapers would have. Both, in a measure, are public questions; but both are of a character that hardly warrants political interference. The use of newspapers is so general that the size and style of their type has undoubtedly serious influence on the eyes of the masses, but he would be a bold politician, or a foolish one, who would agitate this question in a campaign.

The iron and steel industry of America is not apprehensive of antagonistic political action toward it either by the people or by Congress. It has done more than any other industry to make this nation great and prosperous, to give America commercial supremacy in the foreign markets. The improved processes that have come out of its pursuit have revolutionized many other industries, and made them in turn great and prosperous. The iron

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workers are among the most highly paid artisans in this country of high wages. The iron centres are among the wealthiest cities on earth. The consumers of iron and steel are getting the greatest value for their money known in the history of the business.

In the face of this satisfactory state of affairs all around, the political and other straws that Mr. Sage sees blowing about the atmosphere, as a menace to "consolidated management," fail to awake any apprehension in the minds of the men in the steel business.

C. M. SCHWAB.

IV.

INDUSTRIAL CONSOLIDATIONS: WHAT THEY HAVE ACCOMPLISHED FOR CAPITAL AND LABOR.

WHILE Mr. Sage's article has little value as an exposition of facts that exist, it has this merit: Coming from a man who is as wealthy and as prominent as he is, who controls one of the great fortunes of America, the paper offers an excellent vehicle on which the general popular ignorance regarding the question of industrial consolidations may be carried to the public market-place and exhibited in the stocks. The people who lack either the time or the inclination to examine into the truthfulness of things set forth are so numerous in the world that it is a comparatively easy thing to set a fallacy afloat as a fact. Thanks to this condition of the public mind, an entirely false notion regarding industrial properties prevails. Out of every ten thousand men in the community, there is hardly one who would not state it as a hard and fast proposition that the industrial enterprises of the country that have been brought together under the present system of consolidation are all outrageously over-capitalized, and that their stocks present about the most hazardous investment conceivable. Mr. Sage himself, though a potent factor in Wall Street, actively concerned every day in its transactions, apparently holds this general view. As it is his business, or should be, to keep thoroughly posted on the intrinsic value of the properties handled on the stock market, the views he has on this subject would be surprising, were it not that they are so general, even in the financial district; it being such an easy matter to arrive at the true conditions behind stock values, it

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seems strange that people who are so intimately concerned with these values as are Mr. Sage and the others in Wall Street who think as he does, do not figure out for themselves just how matters stand. A few hours devoted to this task would prove many things that would be valuable both to the speculator and the investor, not to mention the general public which is discussing the political status of consolidations from an entirely false standpoint.

As a test of what is really behind the industrial stocks that are being dealt in on the Stock Exchange and on the curb, I have gone into the figures of forty-seven among the most prominent companies. These companies were selected at random from a circular issued on March 13th by Henry Clews & Co. No special preference was given to any property. The entire list was taken, where annual net earnings were given in the report. The greatest industrial of all, the Standard Oil Company, which last year paid 48 per cent. on the par value of its stock, is purposely not included in the list. Nor need the Standard Oil Company be included, for without it we arrive at an average that will, I believe, astonish many even among those who have been most active in the handling of these stocks. The statement, giving the name of companies, the capital stock, common and preferred, the net income, the market value of the stocks, and the percentage of earnings, is given in tabular form at the foot of pages 666-7. It will repay close study by any person who really wants to get at the true condition of values to-day. He will find that, instead of inflated values and boom quotations, we are trading on a very sound basis. He will find that the industrials, almost without exception, are worth a great deal more, judged by their earning capacity, than they are selling for in the open market. Some of these industrials are earning over 25 per cent. a year on their market values, and the average for the entire forty-seven is 13.6 per cent. How does this compare with Manhattan Elevated, which Mr. Sage would, no doubt, tell everybody is a good investment? Manhattan Elevated earns 4 per cent. Even more astonishing than the earnings on the market value are the earnings on the par value. A very popular impression exists that industrials are composed principally of water. The best answer to this is, that the forty-seven companies included in the appended table show an average earning rate of 7.44 per cent. on their total capitalization at par.

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Choosing between two evils, Mr. Sage says, if we must have consolidations, the danger lurking in the consolidation of railroads is perhaps not as great, "because," as he puts it, "they are based on sounder considerations. Their stocks and bonds have not been doubled or trebled or unduly inflated." In other words, Mr. Sage concludes that railroad stocks rest on a sounder basis than do industrials.

Even if this statement were accurate, though it is not, it would call for this commentary, that scarcely one of the great railroads of this country whose shares are now quoted at favorable prices on our Exchanges, has not undergone the process of reorganization, growing out of the fact that they were injudiciously organized. And while the common stock of many of these great

INDUSTRIAL SECURITIES.

TITLE OF COMPANY.	Capital Stock Outstanding—Common.	Capital Stock Outstanding—Preferred.	Six months' net income.
Am. Agri. Chem. Co.	$16,500,000	$17,000,000	$839,320
Am. Bicy. Co.	20,000,000	10,000,000	363,348
Am. Car & Foundry Co.	30,000,000	30,000,000	2,457,834
Am. Caramel Co.	1,000,000	1,000,000	92,500
Am. Hide & Leather Co.	11,500,000	13,000,000	208,741
Am. Linseed Co.	16,750,000	16,750,000	1,014,200
Am. Radiator Co.	4,893,000	3,000,000	328,581
Am. Ship Bldg. Co.	7,600,000	7,900,000	412,746
Am. Smelting & Ref. Co.	27,400,000	27,400,000	1,762,480
Am. Steel Hoop Co.	19,000,000	14,000,000	2,513,448
Am. Steel & Wire Co.	50,000,000	40,000,000	2,815,000
Am. Strawboard Co.	6,000,000	.....	146,263
Am. Tin Plate Co.	28,000,000	18,325,000	2,929,708
Am. Tobacco Co.	54,500,000	14,000,000	3,110,989
Am. Type Founders' Co.	4,000,000	.....	140,121
Am. Window Glass Co.	13,000,000	4,000,000	186,678
Am. Woolen Co.	29,501,100	20,000,000	1,419,526
Am. Chicle Co.	6,000,000	3,000,000	610,000
Col. Fuel & Iron Co.	17,000,000	2,000,000	970,831
Cons. Rubber Tire Co.	4,000,000	4,000,000	105,981
Cons. Coal Co.	10,250,000	.....	301,843
Continental Tobacco Co.	48,844,600	48,846,100	1,016,378
Diamond Match Co.	14,750,000	.....	1,007,419
Elect. Storage Batt. Co.	11,875,000	5,000,000	462,244
Elect. Vehicle Co.	10,450,000	8,125,000	399,930
Federal Steel Co.	46,484,300	53,260,900	2,555,519
General Chemical Co.	7,070,300	8,126,400	575,817
Glucose Sugar Ref. Co.	24,027,300	13,638,300	1,316,492
Havana Com'l Co.	10,600,000	6,000,000	331,896
International Paper Co.	17,442,800	22,406,700	1,141,787
National Biscuit Co.	29,236,000	23,935,100	1,659,177
National Enamel. & Stamp Co.	14,038,100	7,658,600	721,294
National Lead Co.	14,905,400	14,904,000	538,220
National Salt Co.	7,000,000	5,000,000	602,011
National Starch Co.	2,544,300	4,027,800	276,587
National Steel Co.	32,000,000	27,000,000	2,661,859
National Tube Co.	40,000,000	40,000,000	7,330,742
Pressed Steel Car Co.	12,500,000	12,500,000	1,037,590
Republic I. & Steel Co.	27,352,000	20,852,000	1,561,596
Rubber Goods Mfg. Co.	16,941,700	8,051,400	973,117
Sloss-Sheffield S. & I. Co.	7,500,000	6,700,000	639,895
J. B. Stetson Co.	1,500,000	1,500,000	182,415
Union Bag & Paper Co.	16,000,000	11,000,000	747,084
United Fruit Co.	12,369,500	.....	785,897
U. S. Bobbin & Shuttle Co.	1,000,000	650,000	88,400
U. S. Cast I. Pipe & Fdry. Co.	12,155,447	12,500,000	536,037
U. S. Rubber Co.	23,666,900	23,525,500	1,503,944

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industrial corporations may be said to have been issued not to represent tangible property, nevertheless, it represents a fair equivalent for tangible property, namely good will or earning power long-established, which, for obvious reasons, is as rightfully a matter of valuation as the manufacturing plant itself.

On the other hand, when our great railroads were built, the whole projects were ventures, pure and simple, with earnings estimated, and hoped for, but not realized; and yet, under such circumstances, the capital stock, as a rule, was given away to the subscribers of the bonds, sold frequently below par, and it was out

INDUSTRIAL SECURITIES—(Continued).

TITLE OF COMPANY.	March 13. Stock Quotations. Com.	Pref.	Total Market Value.	Annual Earning Rate. On Market Value. Per ct.	On Par of Total Capitalization. Per ct.
Am. Agri. Chem. Co.	29	84	$19,065,000	8.8	5.
Am. Bicy. Co.	6	26	3,800,000	19.1	2.4
Am. Car & Foundry Co.	24⅛	75	29,737,500	16.5	8.1
Am. Caramel Co.	60	105	1,650,000	11.2	9¼
Am. Hide & Leather Co.	9½	36	5,772,500	7.2	1.7
Am. Linseed Co.	8¼	37	7,579,375	26.7	6.
Am. Radiator Co.	36	107½	4,986,480	13.1	8.3
Am. Ship Bldg. Co.	35	95	10,165,000	8.1	5.3
Am. Smelting & Ref. Co.	54¾	94	40,757,500	8.6	6.4
Am. Steel Hoop Co.	36½	81½	18,345,000	27.4	15.2
Am. Steel & Wire Co.	39	97⅜	58,450,000	9.6	6¼
Am. Strawboard Co.	31	..	1,860,000	15.7	4.8
Am. Tin Plate Co.	62	102	36,051,500	16.25	12.6
Am. Tobacco Co.	122½	147	87,342,500	7.1	9.
Am. Type Founders' Co.	61	..	2,440,000	11.4	7.
Am. Window Glass Co.	48	85	9,640,000	3.8	2.
Am. Woolen Co.	15	72	18,825,165	15.	5.7
Am. Chicle Co.	85	79	7,470,000	16.3	13.5
Col. Fuel & Iron Co.	45¼	120	10,092,500	19.2	10.2
Cons. Rubber Tire Co.	3¼	25	1,130,000	18.7	2.6
Cons. Coal Co.	59	..	6,047,500	9.9	5.8
Continental Tobacco Co.	45½	102¾	72,413,660	2.8	2.
Diamond Match Co.	135	..	19,912,500	10.1	13.6
Elect. Storage Batt. Co.	72	74	12,250,000	7.5	5.4
Elect. Vehicle Co.	14½	25	3,546,500	22.5	4.3
Federal Steel Co.	43¼	89⅜	67,706,389	7.5	5.1
General Chemical Co.	70	100	13,075,610	8.8	7.5
Glucose Sugar Ref. Co.	48¼	98	24,958,706	10.5	6.9
Havana Com'l Co.	13½	54½	4,701,000	14.1	3.9
International Paper Co.	23½	75⅜	20,988,108	10.8	5.7
National Biscuit Co.	41¼	95	34,798,195	9.5	6.2
National Enamel. & Stamp Co.	18	80	8,653,738	16.6	6.6
National Lead Co.	15½	87	15,276,810	7.	3.6
National Salt Co.	43⅝	77	6,903,750	17.4	10.
National Starch Co.	45	90	4,769,955	11.6	8.4
National Steel Co.	45⅜	102	42,080,000	17.4	12.4
National Tube Co.	53½	101⅞	62,150,000	23.5	13.3
Pressed Steel Car Co.	35⅝	74¼	13,734,375	15.	8.3
Republic I. & Steel Co.	17	66⅝	18,542,485	11.4	6.4
Rubber Goods Mfg. Co.	28¼	76½	10,945,351	17.7	7.7
Sloss-Sheffield S. & I. Co.	24½	71	6,594,990	19.4	9.
J. B. Stetson Co.	95	115	3,150,000	11.5	12.1
Union Bag & Paper Co.	15½	73	10,510,000	14.2	5.5
United Fruit Co.	135	..	16,698,825	9.4	12.7
U. S. Bobbin & Shuttle Co.	65	112	1,378,000	12.8	10.7
U. S. Cast I. Pipe & Fdry. Co.	4½	30	4,296,995	24.9	4.3
U. S. Rubber Co.	19⅛	58⅛	18,200,319	16.5	6.3
Average, 47 companies				13.6	7.44

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of the proceeds that the railroads were built and equipped. Subsequent defaults, foreclosures and reorganization, have demonstrated not only that the capital stock had no basis of value, but that the amount of the bonds themselves, and the interest reserved on them, were unjustified.

The large industrial corporations have been long enough in evidence to make it clear, that very many of those who are responsible for the creation of these organizations have profited by the financial experience of railroad companies; and have organized these business corporations on a basis, where reorganization is likely to be no part of their business history.

Mistakes have been made, but the comparison between the usual organization of railroads and of so-called "Trusts" is not by any means unfavorable to the latter.

I think it not inconsiderate on my part to suggest that Mr. Sage refresh his recollection as to the financial story of the building of the elevated railroads of New York, now constituting the Manhattan System, in which he is such an important figure. When his recollection is thus refreshed, he will find that the Printing Press and the Receiver played no inconspicuous part before this great property had demonstrated its ultimate solvency and ability to survive as an efficient transportation agency.

As a matter of fact, however, railroad properties even as they stand to-day in their reorganized form are not nearly so good an investment as are the industrials, and their only hope of improvement lies in the extensive application of the principle of consolidation which has done so much for the industrial stocks, and which Mr. Sage opposes in railroads, as he does in other directions. If the consolidation movements now on foot by Mr. Hill and Mr. Morgan and the other great railroad men are carried out, railroad values will undoubtedly be much improved. As they stand to-day, they rank, as earners, about half as high as the industrials. This is shown by the list, printed at the foot of pages 670-1, which, for the purposes of this article, I have made up in the same way as the industrial table. Taking thirty-seven railways, including the best properties in the market, they show an average rate of earnings on their market value of 4.85 per cent., and on their par of total capitalization of 4.85 per cent. On the face of it, this would show a very substantial situation so far as the railroads are concerned, placing

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them as a whole almost on a level with government bonds. Unfortunately, however, the average is more a matter of accident than of anything else, as the earnings fluctuate from 2 per cent. on the market value up to 8 per cent., and from one-half of one per cent. on the par value up to 16 per cent.

Surely, on this comparative showing, there is no better investment anywhere than is offered by the industrial stocks of to-day. The cold figures dispute absolutely the charge of general over-capitalization, so freely made by people who have but a superficial knowledge of the situation.

Of course there have been cases of over-valuation. These stand out very plainly in the table of earnings referred to. But the average showing is far ahead of that of the railroads, and, on the whole, even the over-valued industrials have not been a bad thing. They came early in the day, when the idea was new, and they have served as an evil example. They have made investors more careful. They have convinced the promoters and the persons owning the properties of the wisdom of great care in bringing about such consolidations. In other words, the tendency to over-valuation has been checked by the natural law of trade. The careless banker has lost his reputation, the careless investor has lost his money, and the result is that more care has been, and will be, exercised all along the line. Over-valuations have been an education, pretty expensive for some people, but salutary.

To pretend that the industrials, or "trusts," as people are fond of calling them, constitute a political or economic menace is absurd. Instead of concentrating the wealth of the country in the hands of a few people, the consolidations have had exactly the reverse effect. Where, under the old conditions, there were a hundred stockholders, there are to-day a thousand or two thousand. Never before was there such a wide distribution of manufacturing interests. The great bulk of the stocks is held, not by the very rich, but by the moderately well-to-do. The control under the new system is not vested, as it was under the old, in the hands of a few abnormally rich men, but it rests with the majority of stockholders, whose numerical strength is growing every day. The danger to the community to-day lies not in the centralization of manufactures, in industrial consolidations, but in the centralization of wealth in the hands of a few men. This centralization

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was made possible by the old conditions of individualism. Unfortunately, the new economic ideas which prevail to-day arrived so late that they have not proven sufficient, up to this time, to check the accumulation of great fortunes by individuals. As the new scheme works itself out naturally, such accumulations will, in the future, be rare. As it is, legislation may be necessary to cope with the evil as we find it to-day. What would Mr. Sage say to a law limiting individual fortunes?

There is no danger, either to the community or to business, in such consolidation as has been effected in the case of the steel trust. Its capitalization is based on solid properties. That it runs into a thousand millions is not a cause of apprehension, but rather the reverse, for it typifies the acme of scientific business. If its securities equal, as Mr. Sage points out, nearly one-half the amount of money in circulation in America, the country has cause, not to fear, but to rejoice. Money, when based on

RAILROAD SECURITIES.

TITLE OF COMPANY.	Capital Stock Outstanding—Common.	Capital Stock Outstanding—Preferred.	12 months' net income.
Atchison, Topeka & Santa Fé	$102,000,000	$114,199,530	$9,739,305
Baltimore & Ohio R. R.	45,000,000	59,272,576	6,613,791
Buff., Roch. & Pittsburg Ry.	6,000,000	6,000,000	565,976
Central R. R. of New Jersey	27,159,800	.....	2,619,363
Chesapeake & Ohio Railway	60,543,100	.....	1,156,582
Chicago, Burl'n & Quincy	109,206,400	.....	7,928,762
Chicago & Eastern Illinois	7,197,800	6,830,700	990,372
Chicago, Mil. & St. Paul	47,148,600	41,003,900	6,975,440
Chicago Northwestern	39,114,678	22,395,160	10.061.554
Chicago, Rock Island & Pacific	50,000,000	.....	4,462,062
Cleveland, Chi., Cin. & St. Paul	27,989,310	10,000,000	2,273,983
		1st 8,500,000	
Colorado & Southern Ry.	31,000,000	2d 8,500,000	245,344
Delaware & Hudson Co.	34,800,000	.....	3,187,392
Denver & Rio Grande	38,000,000	23,650,000	1,314.462
		1st 42,892,400	
Erie Railroad Co.	112,378,900	2d 16,000,000	1,663,431
Evansville & Terre Haute	3,987,383	1,282,417	196.632
Great Northern Ry. Co.	.....	98,417,250	3,626,542
Hocking Valley R. R. Co.	10,383,100	13,991,300	1,168.548
Illinois Central R. R. Co.	66,000,000	.....	3,340,600
Iowa Central Ry.	8,512,900	5,672,215	175,973
Lake Erie & Western R. R.	11,840,000	11,840,000	735,636
Louisville & Nashville R. R.	52,800,000	.....	3,619,235
Missouri Pacific Ry. Co.	50,432,150	.....	3,411,760
N. Y. Central & Hudson River	115,000,000	.....	7,979,027
N. Y. Ontario & Western Ry.	58,113,982	.....	859,024
Norfolk & Western Ry. Co.	64,479,400	22,742,900	3,388,312
Northern Pacific Ry.	80,000,000	75,000,000	6,483,819
Pennsylvania R. R. Co.	151,700,000	.....	17,277,530
Pittsburg, Chi., Cin. & St. Louis	25,173,689	22,698,062	1,485,692
		1st 28,000,000	
Reading Co.	70,000,000	2d 42,000,000	1,938,001
St. Louis Southwestern Ry.	16,500,000	20,000,000	630,292
Southern Railway Co.	120,000,000	60,000,000	2,917.251
Texas & Pacific Ry.	38,720,280	.....	1,137,277
Union Pacific Ry.	95,955,800	99,435,400	13,540.479
Wabash R. R. Co.	28,000,000	24,000,000	420,099
		1st 4,135,600	
Wheeling & Lake Erie R. R.	20,000,000	2d 11,567,800	206,235
Wisconsin Central Ry. Co.	15,831,300	11,154,700	492,915

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sound considerations, as our currency is to-day, is but an expressed form of wealth. Stocks and bonds issued on a substantial basis, as are the stocks and bonds of the new steel combination, represent quite as much an expressed form of wealth as the currency. They supplement the money in circulation, and, always provided that they are not the mere output of a printing press, serve as tokens of valuable property. Such stocks and bonds are quite as important an item in the wealth of a country as its currency. As the business system of a country expands, the need, relatively, of money grows less. Instead of the actual interchange of gold and silver in commercial transactions, there comes a system of credit. The amount of business transacted on credit in the United States to-day is over

RAILROAD SECURITIES—(Continued).

TITLE OF COMPANY.	Stock quotations as per April 4, 1901. Com.	Pref.	Total Market Value.	Rate of Earnings on Market Value. Per ct.	Rate of Earnings on Par of Total Capitalization. Per ct.
Atchison, Topeka & Santa Fé	63	96	$173,891,549	5.6	4.5
Baltimore & Ohio R. R.	92¼	91½	95,746,907	6.9	6.3
Buff., Roch. & Pittsburg Ry.	82	121½	12,210,000	4.6	4.7
Central R. R. of New Jersey	157½	..	42,776,685	6.1	9.6
Chesapeake & Ohio Railway	47⅜	..	23,833,651	4.	1.9
Chicago, Burl'n & Quincy	185⅞	..	202,987,396	3.9	7.2
Chicago & Eastern Illinois	117	133½	17,540,410	5.6	7.
Chicago, Mil. & St. Paul	156	191	151,869,265	4.5	7.9
Chicago Northwestern	189½	224¾	124,455,437	8.	16.3
Chicago, Rock Island & Pacific	150¼	..	75,125,000	5.9	8.9
Cleveland, Chi., Cin. & St. Paul	82¼	115¾	34,596,207	6.5	5.9
Colorado & Southern Ry.	11¼	1st 47 / 2d 22	9,352,500	2.6	0.5
Delaware & Hudson Co.	182	..	63,336,000	5.	9.
Denver & Rio Grande	44½	96	39,614,000	3.3	2.1
Erie Railroad Co.	38½	1st 70½ / 2d 59⅜	83,205,018	1.9	0.9
Evansville & Terre Haute	56	92	3,412,758	5.7	3.7
Great Northern Ry. Co.	..	203	199,787,017	4.3	8.7
Hocking Valley R. R. Co.	55	76¾	16,449,028	7.1	4.7
Illinois Central R. R. Co.	143¾	..	94,875,000	3.5	5.
Iowa Central Ry.	32¾	62⅛	6,311,838	2.7	1.2
Lake Erie & Western R. R.	63	127½	22,555,200	3.2	3.1
Louisville & Nashville R. R.	105¼	..	55,572,000	6.5	6.8
Missouri Pacific Ry. Co.	104	..	52,449,436	6.5	6.7
N. Y. Central & Hudson River	153⅜	..	176,381,250	4.5	6.9
N. Y. Ontario & Western Ry.	35½	..	20,630,464	4.1	1.4
Norfolk & Western Ry. Co.	51½	87	52,993,214	6.3	3.8
Northern Pacific Ry.	97⅜	94½	148,775,000	4.3	4.1
Pennsylvania R. R. Co.	158½	..	240,444,500	7.1	11.3
Pittsburg, Chi., Cin. & St. Louis	67½	95	38,555,399	3.8	3.1
Reading Co.	36½	1st 76⅝ / 2d 53¾	69,580,000	2.7	1.3
St. Louis Southwestern Ry.	37¼	65½	19,246,250	3.2	1.7
Southern Railway Co.	28⅛	79	81,150,000	3.5	1.6
Texas & Pacific Ry.	37⅝	..	14,568,505	7.8	2.9
Union Pacific Ry.	93⅛	85	173,878,929	7.7	6.9
Wabash R. R. Co.	19⅝	39⅝	15,005,000	2.7	0.8
Wheeling & Lake Erie R. R.	19⅛	1st 58½ / 2d 35½	10,350,895	1.9	0.5
Wisconsin Central Ry. Co.	19¾	45¼	8,154,183	6.	1.8
Average, 37 railways				4.35	4.85

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two thousand times as great as that transacted in exchange for gold and silver. As soon as the volume of trade mounts into great proportions, it is impossible to transact it on the basis of an actual exchange of currency. Instead, every means of exchange is utilized. Drafts and checks are the chief mediums now known in the commercial world. Actual money is scarcely ever passed from hand to hand. It is idle, therefore, and absolutely valueless, as an object lesson, to set forth the proportion that any bond issue or stock issue bears to the amount of money in circulation. We have passed the point here in the United States where such a statement carries any weight, and we have passed it because we have grown to such enormous proportions as an industrial nation. Not so very long ago, it was different. Then, a dollar in cash was more important, and it went further because it had more to do. When Mr. Evarts, at Mount Vernon, in his exquisitely humorous defence of the accuracy of the tradition that Washington had once thrown a dollar from the Virginia shore to the Maryland shore of the Potomac, stated that a dollar went further in those early days, he may be said to have suggested a great truth, and without being too serious, we may not only enjoy the delightful humor, but profit by it.

We traded in times gone by in a measure on the basis of the money in circulation. The result was often disastrous. It left the country in a position where the close-fisted money-lenders had the market at their mercy whenever the notion seized them, or whenever they felt that there was a situation, real or imaginary, that warranted a demand for extortionate interest rates. This condition was a severe handicap to our merchants and manufacturers; but, despite this fact, they managed, by their enterprise and industry, to forge steadily ahead. Now, owing to these qualities, and to an economical and conservative administration of their affairs for the past ten years, they are in a stronger financial condition, and comparatively free from the domination of the money-lender. And, as in the case of individuals, so it is in the nation. Instead of depending upon the good-will of the money-lenders of Europe, instead of trembling, as we used to do, for fear that they would call their loans, we have now reversed the situation. We are no longer borrowers from, but lenders to, Europe. Consequently, the money market has few terrors for us. From a debtor nation we have grown

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to be a creditor nation, and this is due very largely to the fact that we are conducting our business affairs over here on the most scientific and advanced basis, thanks to the industrial consolidations.

At all times, there have been found plenty of people to oppose progress. The railroad and the steamship and the telegraph and the telephone all had to make their way in the face of violent opposition on the part of supposedly intelligent men. Where new economical conditions are suggested, the opposition is invariably stronger than is met by proposed new physical conditions. It is not strange, therefore, that we should find ourselves face to face with men of standing in the community who combat the introduction of a business system that is, on its face, wholesome and profitable to every one. Benefits arising from the centralized management of our industries are not confined to any one class of people. The greatest proportion of the benefit accrues to the workingman, but capital has its share of advantage as well in the new scheme. Capital's advantage comes, not so much in the shape of larger dividends, as in more certain dividends. The investor knows more certainly what he may expect, if the enterprise to which he subscribes is conducted on the basis that is at the foundation of the new order of things. There is a minimum of risk, which compensates very fully for the sentimental independence which has been lost. Business enterprises are no longer subject to all sorts of unforeseen contingencies. The danger from strikes, lockouts, over-production and ruinous competition is largely eliminated.

Viewing the matter from every standpoint, the business man is benefited when he operates as a member of a combination instead of as an individual. His property is in the shape of stocks and bonds which he can market at a moment's notice, instead of in the shape of a plant, on which it would be impossible to realize anything like its value at a forced sale. In case of his death or disability, he leaves to his family a property that runs along uninterruptedly. The death of any one individual has little, if any, effect on the general business prosperity of the combination, and the tokens of interest held by the family of a deceased stockholder continue to bring their return just as steadily as though the man himself stood at the helm. In the case of an individual corporation, no matter how well organized or how well estab-

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lished, business failure is almost inevitable when the head of the corporation dies. Had A. T. Stewart been a member of an industrial combination at the time of his death, of which combination John Wanamaker had also been a member, the business of A. T. Stewart & Co. would never have declined. It would have continued just as prosperously after Mr. Stewart's death as before. That is one of the many advantages of business consolidation.

Another great advantage is that a combination can generally arrange to run its best factories on full time. The saving in production in this one item alone—that is, where a factory is run on full time instead of half time—is from 4 per cent. to 8 per cent. Over-production, which is one of the most prolific sources of panic, can be largely prevented under the present system, and that without throwing any great body of workingmen out of employment. This was made very clear in the industries in which I am interested, during the period of depression from 1893 to 1897. Although the volume of business fell off very materially in those years, our factories were kept running and our help was regularly employed during all that period, and at the same time our stockholders received a fair return on their investments, considering the reduction in volume of goods turned out. There were no failures. Without combination at that time, there would certainly have been a considerable number of very serious failures.

The combination is stronger than the individual, because it can institute a system of credits that prevents any great losses through bad debts. In one industry, with which I am identified, the losses from this source were reduced, approximately, from one hundred thousand dollars during the year before consolidation to a thousand dollars last year on a volume of business amounting to $25,000,000. This may be a hardship to people who have not been in the habit of paying their debts, but I think the honest men in the community will be able to bear it with equanimity.

The business man in combination can take advantage of cheap transportation facilities, which, as an individual, would be out of his reach. An excellent illustration of this is to be found in one of the large corporations of which I am a director, which, since consolidation of the plants constituting its property, has built a large storage warehouse at Chicago. During the sum-

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mer months, when the waterways are open, freight rates to the West are much cheaper than they are in the winter. This corporation takes full advantage of this fact by sending out its goods for Western consumption during the warm months, and laying them down in its storage warehouse in Chicago. The process of distribution from this point is comparatively simple, and very much more economical than it would be if the stock had to be transported from the East as orders were taken.

All these advantages redound directly to the benefit of capital, but indirectly they redound to the benefit of the consumer. They lessen the cost of production, and the consumer is bound to receive his share in this saving.

Labor is immeasurably benefited by the new conditions. The tendency under natural laws would be for wages to gradually decline to the level of the wages paid in other countries, but the industrial combinations have sustained the wages of the American wage-earner. To-day, the tendency is to a minimum of profits and a maximum of wages. Any concern whose profits become abnormal at once invites competition. Naturally, these profits are reduced, and the consumer, who is the workingman, reaps the benefit. If the profits are not sufficiently abnormal to invite competition, the workingman again comes to the front, for he demands a larger share of the earnings in the form of increased wages. In either case, then, the wage-earners, as the great body of the community, reap the greatest advantages that come out of more economical production.

Every one knows, of course, that the American workingman to-day earns higher wages than are paid in any other country. This condition has been made possible, not because the American employer is any more liberal than his European competitor, but because the American workingman produces more, and he produces more because he has been supplied with the most perfect system of labor-saving machinery on earth. To supply this machinery, large capital is necessary. The individual manufacturer, standing alone, is not in a position to perfect his machinery in the same measure as the consolidated enterprise. The result is that the workingmen benefit again in being supplied under consolidation with superior tools. The great body of the American wage-earners realize the advantages that come to them under the new order of things, and as the years go on will pay less and

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less attention to the clamor of the uninformed, and of the agitators who seek notoriety by opposition to "trusts."

The workingmen and their employers, instead of being separated by the application of the new ideas of consolidation, are coming closer together. A manager, or superintendent, who is responsible to a large body of stockholders for the successful operation of a big plant, is, on the whole, much more likely to treat with his men on friendly terms, where differences arise, than is the individual owner of a plant. The latter, in many cases, will feel that his dignity has been outraged if his workmen presume to find fault with his management in any respect. He knows that he is the court of last resort, and that any one should dictate to him as to the method of administering his own property is not to be tolerated. Instead, therefore, of discussing grievances, listening to remonstrances, and taking advice, the individual employer takes a high-handed course, and a strike ensues. Where, however, the plant is controlled by a combination, and the operator is simply a manager for this combination, no matter how large his holdings of stock may be, he is responsible to a higher court, the Board of Directors; and, before inviting a strike or a shut-down, he will exhaust every possible means to arrive at a settlement with his disaffected men. This is almost invariably the case, and the records will show that where combinations have been effected strikes decrease. It is one of the great sources of satisfaction to me that none of the industrial combinations with which I have ever been connected has had a strike.

People generally will come to realize very soon that the maintenance of the high standard of wages now paid in the United States is absolutely dependent upon the advantages which come through superior organization. We are to-day shipping manufactured goods to countries where the rate of wages is, on the average, 40 per cent. less than our wage-earners are receiving. But we can only do this to advantage in those industries that are controlled by large corporations. Of our total exports of manufactured goods, which reached over five hundred million dollars last year, 80 per cent. were made by the so-called "trusts." Articles not made by "trusts" are being supplied almost entirely to the neutral markets by Germany, Belgium and England, the cheap-labor countries.

America is now at the front in the race for industrial suprem-

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acy. The main factor that has placed her there is the system of consolidation which Mr. Sage warns us against. It has won us the lead in less than ten years' trial. Surely, such results do not argue for a restriction, but rather for the continuance and enlightened development, of the system.

CHARLES R. FLINT.

V.

THE INFLUENCE OF "TRUSTS"* UPON PRICES.

A FURTHER evolution in the organization of industries by the formation of "a Trust of Trusts" in the steel industry, with a capital approximating a billion of dollars, has given fresh occasion for discussion of the so-called "Trust" question, and has increased the already large number of citizens who fear evil from such consolidations. There is a widespread impression that "Trusts" result in unreasonable prices, through which the many are taxed for the benefit of the few, and it may be interesting to inquire how far this impression is confirmed by the facts—not single and sporadic facts, but facts which cover a sufficient time and a sufficient field to indicate the general tendency. Let us, then, examine their effect upon prices, as indicated in the following statistics taken from United States Government reports.

I.

The first great organization of industry in the United States was the consolidation of railway lines, and its effect upon the prices of transportation is shown in the following table:

AVERAGE RECEIPTS PER TON PER MILE OF LEADING RAILROADS IN 1870, 1880, 1890 AND 1899, INCLUSIVE.

Railway Lines.	1870. Cents.	1880. Cents.	1890. Cents.	1899. Cents.
Lines East of Chicago	1.61	0.87	0.63	0.51
West and Northwest Lines	2.61	1.44	1.00	0.92
Southwestern Lines	2.95	1.65	1.11	0.93
Southern Lines	2.39	1.16	0.80	0.62
Transcontinental Lines	4.50	2.21	1.50	0.99
Average	1.99	1.17	0.91	0.70

This result has been attained largely through combinations and consolidations, which, contrary to the impression generally entertained, have not resulted in abolishing competition, but rather in economies of operation and improvement in service, accompa-

*The word is a misnomer, but it is understood by the public to mean any large aggregation of capital.

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nied by a steady reduction in rates. Railway freight rates in the United States are less than one-half those of other principal countries. Our railways carry our chief products one thousand miles to our seaboard for less than the railroads of other countries charge for carrying these products two hundred miles inland from the seacoast after they have crossed the ocean.

Passenger rates have not declined as largely as freight rates, but there has been a material decline in passenger rates also in the period covered by the above statistics, while the quality of the service has been greatly improved, with a corresponding increase in its cost to the railways.

The railroad of twenty years ago, with its equipment, would not be tolerated to-day. How many of us appreciate the privilege of stepping into a parlor on wheels and being hurled through space at the rate of forty miles an hour, with as much safety as if we sat in our drawing-rooms or were sleeping in our beds at home?

II.

The next great "Trust" was the Standard Oil Company, and its influence on prices is evidenced by the following statistics:

PRICES OF REFINED ILLUMINATING OIL, PER GALLON, EXPORTED FROM THE UNITED STATES, 1871 TO 1900.*

Year.	Cts.	Year.	Cts.	Year.	Cts.
1871	25.7	1881	10.3	1891	7.0
1872	24.9	1882	9.1	1892	5.9
1873	23.5	1883	8.8	1893	4.9
1874	18.3	1884	9.2	1894	4.2
1875	14.1	1885	8.7	1895	4.9
1876	14.0	1886	8.7	1896	6.8
1877	21.1	1887	7.8	1897	6.3
1878	14.4	1888	7.9	1898	5.7
1879	10.8	1889	7.8	1899	5.6
1880	8.6	1890	7.4	1900	7.8

This great decline in the price of oil is attributable partly to the increase in production, but more largely to improvements in manufacture and transportation, which were only attainable through the aggregation of capital in this industry.

III.

The next great "Trust" in the order of formation was the American Sugar Refining Company, or the "Sugar Trust," a corporation formed under the laws of the State of New Jersey for the purpose of consolidating the sugar-refining interests of the country. Until recently, when additional capital flowed into this

*The prices represent the market value of article at time of exportation.

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channel, it did about eighty-five per cent. of the sugar-refining business in the United States. The tendency of prices under its influence is shown by the next two tables, giving, respectively, the average price of both raw and refined sugar, with the differing margins, during the nine years prior to and the nine years immediately following its consolidation in 1887:

Year.	Centrifugals, Raw, per lb. Cents.	Granulated, Refined, per lb. Cents.	Difference, per lb. Cents.
1879	6.93	8.81	1.88
1880	7.88	9.80	1.92
1881	7.62	9.70	2.08
1882	7.29	9.35	2.06
1883	6.79	8.65	1.86
1884	5.29	6.75	1.46
1885	5.19	6.53	1.34
1886	5.52	6.23	.71
1887	5.38	6.02	.64
Average, nine years	6.43	7.98	1.55

For nine years after the formation of the "Trust," prices were:

Year.	Centrifugals, Raw, per lb. Cents.	Granulated, Refined, per lb. Cents.	Difference, per lb. Cents.
1888	5.93	7.18	1.25
1889	6.57	7.89	1.32
1890	5.57	6.27	.70
1891	3.92	4.65	.73
1892	3.32	4.35	1.03
1893	3.69	4.84	1.15
1894	3.24	4.12	.88
1895	3.23	4.12	.89
1896	3.62	4.53	.91
Average, nine years	4.34	5.33	.98

Since 1896 prices have been affected by changes in the tariff, and more recently by increased competition, consequent upon the construction of new refineries, which at times have reduced margins to an absolutely unremunerative point.

The figures for succeeding years are as follows:

Year.	Centrifugals, Raw, per lb. Cents.	Granulated, Refined, per lb. Cents.	Difference, per lb. Cents.
1897	3.56	4.50	.94
1898	4.24	4.97	.73
1899	4.42	4.92	.50
1900	4.57	5.32	.75
March, 1901	4.09	5.04	.95
Average, five years	4.17	4.95	.77

This reduction in price to the consumer has been effected, partly by increased production, and largely through buying the raw material more cheaply than when a large number of separate refiners were competing for the product. Large economies were also effected by closing inferior plants and enlarging and extending superior ones. The American Sugar Refining Company has

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bought its raw material at cheap rates, but it has given the public the benefit of such purchases, merely retaining as its profit about one-third of a cent per pound, which, considering the nature of the business, is a reasonable one. It employs more labor and pays higher wages than were employed and paid before the organization of this industry.

In the three years preceding the formation of the "Trust," twelve sugar refineries failed, throwing thousands of operatives out of employment. There is such a thing as unreasonable competition as well as reasonable competition. The first drives the selling price of the article so low as to be incompatible with living profits, humane hours, honest wages and good quality. The organization of industry is a protest against unreasonable and destructive competition. The nine refineries consolidated into the "Trust" had twenty-seven partners; now the "Trust" representing these nine refineries has over 11,000 partners in the form of stockholders. Is this consolidation or distribution?

IV.

Among the more recent organizations is the "Paper Trust," known as the International Paper Company, organized in 1897. The contract prices of ordinary newspaper paper for ten years covering a period before and after its formation afford interesting material for study.

CONTRACT PRICES FOR NEWSPAPER PAPER FOR TEN YEARS.

Year.	Cents, per lb.	Year.	Cents, per lb.
1890	3.61	1896	2.35
1891	3.12	1897	2.18
1892	3.12½	1898	2.02
1893	2.90	1899	2.00
1894	2.75	1900	2.50
1895	2.40		

Notwithstanding the advance which, owing to the increased demand, has taken place since 1899, prices for paper are far below those of ten years ago, and it is safe to say that neither the tariff nor trusts have had any appreciable effect upon the price of paper.

The prices above quoted are the lowest contract prices from first hands. Jobbing prices are somewhat higher; and, on an advancing market, jobbers sometimes advance their prices unduly, and lay the blame on "trusts," when the trusts have had nothing to do with the advance.

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V.

The latest and, according to many journalistic utterances, the most startling of the trust organizations is "the billion dollar steel trust." This is a consolidation of trusts in that line; and, while we cannot give figures to show its effect upon future prices, the following figures for iron and steel in the past furnish a basis for future comparison which will be interesting. I foretell results similar to those indicated by the foregoing illustrations in other lines.

The fluctuations in iron and steel have been greater than in most staples, as is shown by the following statistics, giving the prices for "Bessemer pig iron" for a period of ten years:

Year.	Dollars, per ton.	Year.	Dollars, per ton.
1890	18.85	1896	12.14
1891	15.95	1897	10.13
1892	14.37	1898	10.33
1893	12.87	1899	19.03
1894	11.38	1900	19.49
1895	12.72	March, 1901	16.50

That the tariff had nothing to do with the advance in prices since 1898 is shown by the following comparison of English and American prices for steel rails for each month during 1899, which illustrates the influence of supply and demand.

1899.	English.	American.
January	$22.44	$18.00
February	23.24	20.50
March	23.04	22.00
April	23.64	25.00
May	24.90	25.00
June	24.90	25.00
July	25.50	26.00
August	30.96	31.33
September	30.36	32.00
October	32.76	33.00
November	32.76	35.00
December	34.02	35.00

The steel trust has not abrogated competition; it has simply elevated it to a higher plane. There are several plants outside of the trust, which are capable of being a David to the Goliath, if the Goliath should prove unreasonable.

VI.

Let us now consider the fluctuations of prices in staples which are not controlled by "trusts," but some of which are supposed to be influenced by tariffs.

The following prices are for "washed Ohio fleece wool," which

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grade is less subject to variations than most of the other grades, and thus furnishes a better basis for comparison:

Year.	Cents, per lb.	Year.	Cents, per lb.
1890	33	1896	19
1891	33	1897	19
1892	30	1898	29
1893	29	1899	26½
1894	23	1900	32½
1895	17½	March, 1901	27

For several years coffee has been declining in price, owing to the fact that the supply has exceeded the demand, as is shown by the following statistics:

AVERAGE ANNUAL COST OF NO. 7 RIO COFFEE.

Year.	Cents, per lb.	Year.	Cents, per lb.
1890	18.03	1896	12.15
1891	16.40	1897	9.80
1892	14.43	1898	6.80
1893	17.42	1899	6.25
1894	16.41	1900	8.30
1895	15.80	March, 1901	7.35

When prices declined below the cost of production, production decreased, consumption increased, and prices began to advance again. Good times and speculation helped the advance along.

Prices have advanced from the lowest point, but what their fluctuations will be depends upon supply and demand.

In cotton we have the same phenomena that we have in coffee, as is illustrated by the following statistics of prices for middling cotton, and we have the same cause and effect:

Year.	Cents, per lb.	Year.	Cents, per lb.
1890	11.07	1896	7.93
1891	8.60	1897	7.00
1892	7.71	1898	5.94
1893	8.56	1899	6.88
1894	6.94	1900	9.25
1895	7.44	March, 1901	8.75

VII.

Power and machinery brought to bear upon natural resources have so increased production, that wider and more frequent fluctuations in prices are to be looked for in the future than have occurred in the distant past.

The Hon. Carroll D. Wright, United States Commissioner of Labor, and one of our most conservative statisticians, recently published the result of his investigations into the relative productive power of hand and machine labor.

A thousand paper bags could formerly be made by hand in six hours and thirty minutes; they are now made in forty minutes with the aid of a machine. To rule ten reams of paper on both

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sides by hand required 4,800 hours; with a ruling machine, the work is done in two hours and thirty minutes of one man's time. In shelling corn by hand, sixty-six hours and forty minutes would be required to shell a quantity which can be handled by a machine in thirty-six minutes. A mowing machine cuts seven times as much grass per hour as one man can cut with a scythe. These examples might be extended indefinitely; but a more forceful illustration will be found by considering the total horse-power applied to machines in this country and calculating how many men it would require to do the same work. For such calculations the census figures of 1890 must be used.

One horse-power is equivalent to the power of six men. Thus, if the work of 63,481 men in the flour mills of the United States is supplemented by the use of 752,365 horse-power, the power is equivalent to the work of 4,514,190 additional men. That is, it does seventy-two times as much work as the employees.

The ratio differs radically in different industries. Mr. Wright finds that the total horse-power used in the United States in 1890 was about 6,000,000, equivalent to the work of 36,000,000 men, while only 4,476,884 persons were employed, the two kinds of power having a ratio of 8 to 1. A force of 36,000,000 men represents a population of 180,000,000, so that if the products of the manufacturing establishments were all made by hand, it would require a population of that size to do it, with none left for agriculture, trade, transportation, mining, forestry, the professions, or any other occupations.

A still more striking illustration is found in our transportation system. In 1890 there were over 30,000 locomotives in this country It would take 57,940,320 horses to do their work, or 347,425,920 men. In countries like China, nearly all the work of transportation is actually done by man power, and no further explanation of the economic difference between America and Asia is required. By the use of steam we are evoking aid from the heat stored up in our coal beds, equivalent to the working efficiency of the population of the whole earth, while the Chinaman lets his coal lie underground, packs his load on his back, and does his manufacturing largely by hand.

Mr. Mulhall, the British statistician, calculated in 1895 that the use of steam power had increased five-fold in the United States in thirty-five years, thus more than trebling the collective

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working power of the population. He also remarks that the working energy of one American is more than double that of one European. Thus the civilized world, with the United States leading, is yearly doing an increasing amount of useful work, while Asia does no more than it did a thousand years ago. This fact alone will explain the demand for the "open door," and the growing world-domination of the machine-using nations.

Steam is our Genie of the Lamp, electricity our Slave of the Ring, and machinery an additional slave, which the imagination of the Arabian romancist did not picture. In former times the men who possessed a thousand human slaves, and grew rich upon their labor, were but few; to-day the men who own the power of a thousand horses, embodied in mechanical slaves which speak all languages and serve all masters with equal fidelity, are almost too numerous for enumeration. The inventors of the United States have created these slaves, and we are selling them to other nations at a rate which must soon impair the advantage we have heretofore enjoyed, and level up and level down labor the world over.

This is the ground-swell of cause which the statesmen of the world have to adjust to effect. The captains of industry, who have been in contact with and have comprehended and grasped these controlling forces in this evolution of industry, have profited pecuniarily from it; but all they have got out of it is a living, somewhat more luxurious, perhaps, than that of the average citizen, but any surplus which they have not left to hospitals, churches and education has, in most cases, enervated and cursed their children. Many of them appreciate this, and we will have more Harvards and Yales and Cornells, and Johns Hopkins and Stanfords and Vanderbilts and Rockefellers and Carnégies and Morgans in the future.

The talk about an Emperor in this country, which the distinguished President of one of our great universities recently indulged in, may be dismissed as a passing thought in a Lenten sermon.

The organization of industry has taken place so suddenly that the public has been startled, as a good horse will shy at an umbrella when it is opened suddenly in his face; but let the horse smell the umbrella and see that it is not dangerous and his alarm will subside. Thus will it be with the feeling of the public toward trusts. Their evil will be eliminated, their good will be

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developed, their usefulness to mankind demonstrated, and the bogy which the rivalries of sensational journalism and partisan politics have conjured up will fade into thin air.

The facts and the views herein stated are presented as an antidote to those of the alarmists, but with a full appreciation of the tides and currents of public sentiment, which affect the industries and welfare of our country. These are indicated in the following quotation from the circular of a conservative banking house in relation to the new steel trust:

> "It will be cited in Congressional and Legislative halls as full of danger to American institutions through such unprecedented concentration of power in individual hands. It will revive the advocacy of Government ownership of railway lines and of more stringent "anti-trust" legislation, and it cannot be denied that it brings up a very grave question before the American people as to the extent to which the laws of the land shall permit or support such tremendous centralization of power in the industrial world. We might add, also, that it is likely to occasion at the next session of Congress a very active movement for the abolition of duties on all products made by this consolidated company, and if the tariff is once brought up as a subject of serious discussion and amendment there is no telling where it will end. We all know that the agitation of tariff revision is detrimental to general business; for, while it is in progress, both importers and manufacturers restrict their operations until they know to a certainty what the result of the tinkering is to be. Of course, these facts are not going to affect the immediate market for the shares, but they must enter into the minds of the big holders and lead them, as the occasion offers, to part with their holdings to the general public, as far as the general public will be disposed to buy."

If any legislation in regard to "trusts" is necessary, it is in the direction of publicity and reports, for the protection of investors. The practice of over-capitalization, or stock watering, is considered by many persons a great evil, but it is an injury rather to those who practice it than to the general public. Real values are reflected in the market prices of securities. Bay State Gas is quoted at $1 per share, with a par value of one hundred dollars, while Standard Oil is quoted above $800. Capitalization is usually based upon earning power, and in this "good will" is often a factor. A newspaper with a plant worth $50,000 may earn $100,000, net, per year. If a company was organized on this, what should its capital be? A railroad is projected, which, when built and with a large traffic developed, can pay dividends upon a capital which would seem very large in its inception, and yet carry for the public at low prices. Unless its projectors had had a

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prospect of a profit the railway would not have been built. So far as the interest of investors is concerned, they should have information, and they can then use their own judgment. There are frauds in all kinds of merchandise, and the doctrine of *caveat emptor* is of universal application.

Mr. Carnegie has said that a successful business was like a three-legged stool, standing on labor, capital and brains; or brains, labor and capital; or capital, brains and labor—that neither is first and all are inter-dependent. The United States is fortunate in having such a citizen as Andrew Carnegie and millions of others who, with opportunity, like him, are capable of "rising on stepping stones of their dead selves to higher things"; there can be no dissent from Mr. Carnegie's kaleidoscopic conception. The combination of any two elements in the trinity can be pulled down by the dissent of the third. Each, therefore, must recognize the usefulness of the other and its share in the enormous benefits which Providence has conferred upon the human race in placing such resources of nature and such slaves as steam, electricity and machinery at their disposal to develop them.

F. B. THURBER.

VI.

UNINTELLIGENT COMPETITION A LARGE FACTOR IN MAKING INDUSTRIAL CONSOLIDATION A NECESSITY.

THE belief is quite general, in certain directions, that all combinations and consolidations are organized to stamp out competition and advance prices unduly. Without doubt, many consolidations have been organized with that end in view; but there are many others which have been organized to correct abuses which, on account of ignorance and lack of intelligence, have become fastened upon many lines of industry and which threatened their destruction. The fact is not lost sight of that the promoter has been one of the largest influences in the work of consolidation, but ignorant, unequal, even dishonest competition in business has brought many industries to such a condition that manufacturers were willing to listen to the plans of the promoter, or to any schemes which gave promise of even partial relief.

Usually one of the first things done by a consolidation is to

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revise its price lists. Then there goes up a great hue and cry about trusts, monopolies, squeezing the public, etc., by advancing prices, as though it were a crime to be unwilling to sell goods at a loss or without a profit. After a consolidation has been brought about, manufacturers have the opportunity to compare notes and see how buyers have worked one manufacturer against another, until certain classes of goods have been sold for much less than they cost. These low prices have been largely made by ignorant manufacturers, who did not know what they were doing; manufacturers who conducted their business by the rule of thumb; men who had not the capacity even to appreciate system, to say nothing of originating it. When consolidations are effected, that kind of ability usually goes to the rear, and the more intelligent men take control, men who know more nearly what it costs to manufacture goods. And yet, the buyer and the public expect the manufacturer to continue in force the prices made by the ignoramus who has been superseded; and manufacturers are expected to sell at a loss, or without a profit, simply because ignorant, cutthroat competition forced them to do so when they were powerless to prevent it.

The consolidation of industrials has made it possible to ascertain how business has been conducted by competing firms, and the methods, or lack of methods, of some have been a revelation.

It has been my pleasure to form the acquaintance of the managers of no less than six consolidations in different industries, and the experience of one is the experience of all. In some of the companies consolidated, they had never known the cost of manufacturing their goods; there had never been an intelligent attempt to learn the cost. The principle on which they appear to have acted was this: If one manufacturer quoted for an article a dollar, they knew they could make it for less than he could, and so quoted ninety cents. There was an absolute lack of system in everything, save in one particular—their system of price cutting without regard to cost was perfect.

Another fact has been discovered in every one of the six consolidations referred to: the firms or corporations consolidated were successful, prior to the consolidation, just in proportion as they adhered to a fixed standard for their goods, giving to their trade exactly what they agreed to give. In other words, the firms which made the best goods had the most satisfactory trade,

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paid their help the highest wages, and made the most money; and those who made the poorest goods paid their help the lowest wages, and made the least money.

It may be asked, why do not firms which conduct their business on this basis fail? and the reply is, they do. This country is strewn with the wrecks of such firms, which fail time and again, compromise with their creditors and go on again, to continue their unequal and ignorant competition. One of the hardest problems honest business men have to face is to try to do business in competition with others who own their goods through failure, and compromise at anywhere from ten to fifty cents on the dollar. The ruinous feature of this kind of competition is that other manufacturers and merchants who do know their costs are in a degree forced to travel at the same pace. A manufacturer cannot hope to sell for a dollar what a competitor will sell for ninety cents, not even though the article in question costs, under the most favorable conditions, a dollar and ten cents to produce it.

The criticism is often made that in these consolidations the more successful companies are obliged to carry the weaker and poorer ones, and that is in a sense true; but it is not a new condition. The weaker companies have always been a drag on the successful ones. They have been the ones who determined the scale in the matter of price, the only difference now being that their power for doing harm for the time being has been somewhat abridged, and in time, with new men in the management of such firms, using new methods, they may be brought near to the standard of efficiency maintained by the more successful firms.

If consolidated management raises prices, it also results in raising, establishing and maintaining standards for weight and quality—the standards adopted by the consolidations being a yard with thirty-six inches, a pound with sixteen ounces, and a quality which is recognized as the best in the market. As a rule, the consolidation gives to the trade a better article than most of the same manufacturers previously furnished. I firmly believe that, as a general proposition, business under the consolidation is conducted more honestly, and that the buyer gets more nearly what he buys and pays for than he did when the firms which make up the consolidation were conducting their business as private organizations. The reason for this is not hard to find. The

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pecuniary benefits which formerly accrued to the individual manufacturer, from giving short count, short weights and low-grade goods, would not now accrue to the men in the active management. Their interests are relatively much smaller than formerly; and human nature is such that while a man *may* be tricky in his business when that will work to his personal advantage, he will not resort to the same methods if the benefit is to go to some one else.

Competition is industrial war. Ignorant, unrestricted competition, carried to its logical conclusion, means death to some of the combatants and injury for all. Even the victor does not soon recover from the wounds received in the conflict.

We have had in this country great natural resources to develop. We have been for years throwing away more than would to-day be looked upon in the older countries, and in some lines of business in our own country, as a handsome margin of profit. In manufacturing industries, one invention has followed another in rapid succession, and the margin of profit has been such that it has not been deemed necessary to know exactly what the costs of production actually were.

It has become a commonplace to say that "the wastes of one decade are the profits of the next." In many lines of industry that statement is well inside the truth; but we are approaching a time, if it has not already been reached in some industries, where it would seem as though the cost of production could not be materially reduced by the saving of wastes, or by the invention of improved machinery—the cost of running the machine in some industries being such a small fraction of the total cost that, even though the machine were run for nothing, the cost would not be greatly reduced.

In the thought of the public, these large aggregations of capital are monopolies, but this is an erroneous impression; for there is practically no such thing as monopoly in any of these industrial consolidations. Monopoly presupposes control of the market so that the price of a commodity may be arbitrarily fixed; but, as a matter of fact, that condition rarely exists. Competition may not be so sharp in some industries as in others, so that by comparison it may seem not to exist; but it is almost never absent as a controlling factor.

It does not follow that competition is keenest where there are the largest number of competitors. In fact, the reverse is more

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often true than otherwise, for competition among a great many small firms means primitive ways of doing, and the pace is ordinarily slow. But with large corporations, few in number, and with abundant means to avail themselves of every new invention, with modern, up-to-date methods of doing business, competition is being reduced to a science, and when it has worked itself out the consumer will get better goods for less money than under present ignorant, competitive conditions. All the expense incurred in doing business by primitive methods, all the cost connected with doing business at a disadvantage by reason of not being so located or equipped as to be able to take advantage of every geographical and economic condition, all the failures which result from ignorance, dishonesty, incompetence are, in the last analysis, paid for by the people.

A great many laws have been enacted to control, or, at least, to partially regulate these large corporations. The large corporation is here to stay. The business of the world is to be conducted on a large scale, and goods must be produced at low cost. Andrew Carnegie was right when he said: "It is not necessary to legislate against corporations. If they are organized on economic principles they do not need to be controlled by legislation. If they are not so organized, the economic laws which govern trade and commerce and which work as unerringly as the law of gravitation will take care of them." Never was a larger economic truth more tersely put.

There is only one way in which a consolidation can for any length of time be successful, and no new principle is called into being to bring success. It is the same principle whether it be a consolidation of corporations, a single firm, a man or a boy. They must each render exceptional service, if they would succeed. The consolidation must share the profit with the consumer by lowering the price. If it does not, it will fail.

The father and mother of the Trade family are Supply and Demand. Their first-born (and he is the legitimate offspring of these parents) is Competition. This child being more often than otherwise untrained and ignorant, frequently works untold hardship on the Trade family. Although great harm is done by this untrained and ignorant member of the family, it does not follow that the child should be strangled and put out of the way, any more than an untrained and ignorant child in a human fam-

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ily should be so dealt with; but he should be restrained, educated, trained and directed, in order that he may be made competent to do his full share of work in the economic household. His is most important work. The progress of the world in everything has been by keen competition, in schools as well as in industries. Men need the stimulus of competition to do their best. To it we owe our development. It is the fuel which feeds the fire of ambition, and up to a certain point it is a good thing (if the competition is intelligent rather than ignorant), but, like almost any other good thing, it can be abused.

There must always be competition. To stamp it out, were such a thing possible, would mean stagnation and death. It would mean that there was to be no further progress; and it is no compliment to the intelligence of the business men who have done so much for the progress of the world to suggest even that they are so short-sighted as to believe that that programme could be carried out.

If there were no prizes to be obtained, men would cease to put forth the effort which makes for progress and growth. If there were no larger prizes ahead of a young man than simply a day laborer's wages, the likelihood is that a good many would not put forth the effort necessary to become anything more than a day laborer; but because there are prizes to be gained by competition, men are willing to become practically slaves to their business or profession, and in gaining those prizes for themselves they make large contributions to the sum of human progress and happiness. We need competition if we would grow, but it ought to be honest and intelligent competition, and that is not what is being had under conditions which prevail in many lines of industry at the present time.

Some months after the consolidation of one of the leading industries in this country, in conversation with the gentleman who was at the head of the Cost Department of one of the firms which had been consolidated (and it was the leader in that line of industry), I learned that an order had recently been sent for estimate to his old company, and that they had figured on the order and lost it, prior to the consolidation. They had known there would be close competition, and they had gone over their cost figures very carefully, putting the price on the lowest possible basis; but when the bids had been opened, other bidders'

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prices were so far below theirs that they were made to appear foolish. They had reviewed their figures, and could not understand how the party to whom the award had been made could sell the goods without loss at the price at which the contract had been awarded. When the companies were consolidated, the management had taken the order from the branch which had secured the contract, and had sent it for execution to this branch whose figures were so much higher, thereby acknowledging that their facilities for doing the work were better than those of the company which had been awarded the contract. A letter was written to the company which had secured the order asking that they furnish the data on which they had based their figures. To this letter they made an evasive reply. Another letter was written, and again came back a letter equally evasive. The matter was then taken up through the Manager's Office, and this brought forth a letter which said they had no detail of the figures of their estimate to submit; they had done work something like this, and felt sure they could do this at the price they had submitted, and that was all the information that could be obtained. The order was filled at a very considerable loss.

Now for the application. The company to which the order was sent for execution had not failed to pay a dividend but once in over thirty years. The company which secured the contract at the low price had not paid a dividend for seven years, and under existing conditions and management was not likely to pay one for seven years more.

A successful firm is not produced by chance, but by intelligence persistently applied; and this successful firm had made its dividends fully as much by orders which it had not accepted as by orders it had accepted. They knew where profit ended and where loss began; and when it became a question of paying a customer to do his business, they had let the other manufacturer have that privilege.

The competition hardest to meet is not usually that of successful firms, who know what they are doing, but of firms whose business creed appears to be summed up in the lines:

> "So on I go not knowing,
> 'Tis blessed not to know."

These are the firms which fail, and whose competition often causes others to fail; and the cause of their failure is largely the

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result of ignorance of the cost of production to the manufacturer or the cost of doing business to the merchant. For such ignorance, indeed, they are, in many cases, not entirely to blame.

Men rarely go into business directly from the ranks of industry. The offshoots from the established houses are usually heads of departments, office men, superintendents and foremen, and I suppose it is well inside the truth to say that nine out of every ten such employees, kept in ignorance of the true condition of business, believe their employers to be making profits very greatly in excess of the amounts actually made.

The great majority of business men endeavor to keep the details of their business to themselves. They want to have as few as possible of the men connected with their business know the cost of their goods and what profits they are making. The result is that many of these men have no knowledge of the costs of production to a manufacturer, and are wholly lacking in a knowledge of what it costs to do business as a merchant.

The point I would make is this: Is it wise to let such men think that the costs of doing business as a merchant are simply store rent and clerk hire, and the costs of manufacturing are simply those larger items, like labor, rent, heat, power, etc., which stand out prominently, leaving out of their thought the services of the proprietor, and that multitude of other costs, many of the items small in themselves, but in the aggregate the mighty factor which decides whether the balance is to be on the right or wrong side of the profit and loss account; to let them go on guessing that the profits of the business are two or three times what they actually are; to keep them in ignorance of the true condition of the business, which, if known to them, would in thousands of cases remove from them the temptation to start in business for themselves, and thus prevent a large part of the competition that kills? Such men are not entirely to blame that they have not the capacity to carry a "Message to Garcia." They have never had an opportunity to do work that would fit them for such service, and their employer often could not carry a "Message to Garcia" either. Would it not be wiser to adopt the other course, to train and educate a man so that he may become more valuable to the firm? A man cannot grow and use good judgment in business matters, if a knowledge of the facts, which is the basis for judgment, is withheld. Men do not expect growth in anything else

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where the means of growth are cut off. Why should they in business? Then, if the man grows, pay him for this increased efficiency, of which the firm gets the benefit; and when that is done, if such a man does go into business on his own account, he will be an intelligent, rather than an ignorant, competitor.

Statistics are often quoted which show that only a very small percentage of the men who embark in business on their own account succeed—those who have given the matter careful thought say from three per cent. to five per cent. Whether that be correct or not, I do not pretend to say; but this we do know, a large percentage do not succeed.

There is a reason for this enormous commercial death rate; and, in my opinion, one of the chief causes is bad accounting, and, as a consequence, ignorance of cost of production, as a manufacturer, and of doing business, as a merchant.

Many men accounted shrewd, having no knowledge of accounts themselves, utterly fail to appreciate the real purpose of bookkeeping and accounting, and act on the assumption that any boy or girl just out of school, who can be hired at the smallest salary and who is wholly lacking in business training, is competent to do their bookkeeping. That might be true if the only function of the bookkeeper were to see that sales were properly charged and accounts collected when due. That work is essential and must be done correctly, if one would remain solvent; but there is another function which is equally important and which is too often neglected. Books of account should be so kept that, at the end of each period, there could be made up a statement of the business in each department in all its detail, giving the detailed costs connected with the business. It is not enough that these costs should go into a few general accounts. They must be subdivided so that comparisons can be made from year to year. If costs are increasing, the comparisons will reveal the fact; if there are leaks, they will be detected and stopped; but that work requires brains and business training, and the salary investment made in employing a competent accountant will yield large returns, giving to the management facts, not guesses, in the matter of cost of production.

The demands of the new century will not admit of guesswork. The management of the future must have a definite knowledge of the cost of production—not in a vague and general

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way, but in a concrete and specific way. Success by the rule of thumb has gone forever, and in the years to come success will be won only through exact and definite knowledge.

The manufacturer's endeavor is to reduce the *cost* of production, but there are two mighty forces at work all the time to reduce the *price* just a little faster than the manufacturer can reduce the cost. These are the buyer and the travelling salesman, and they have helped to make consolidations a necessity.

The manufacturer who is ignorant of cost will usually be ignorant of other conditions connected with his business, and both he and his salesman will be at the mercy of the unscrupulous buyer. All buyers are not unscrupulous, and there is something to be said in behalf of the salesman. The writer has been a salesman for over five and twenty years. He has been in the employ of others, and he has for years sold his own goods, so that he is not giving hearsay evidence of conditions.

The travelling salesman's burden is not an easy one to bear. From Monday morning till Saturday night he hears one story from the buyer: "He is not in it, not even a little bit;" "his prices are not right;" "we have quotations much more favorable;" "so-and-so has agreed to deliver;" "another one will give three months' dating;" "at even prices they prefer to give him an order," and so on. Such statements may be true, and they may not.

After the consolidation of the company of which I have an intimate knowledge, the correspondence which had passed between the several companies and buyers from all over the country was open for inspection; so also was the correspondence sent in prior to the consolidation by travelling men, as to what the other manufacturers were reported to be quoting; and it was a most instructive exhibit. Prices which had never been quoted, and special terms which existed only in the fertile brain of the buyer, had been met by competing manufacturers. Statements were made by buyers as to the volume of their business which were wilder than political estimates made on the stump, and which had been used as a lever to get quotations and terms to which the party making them was not entitled.

The salesman's position is dependent upon the business which he obtains. His orders must be obtained from the buyer, with whom he must keep on good terms to obtain orders. In time, he often becomes better acquainted, and on terms of even greater

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intimacy, with the buyer than with the house which he represents. The result is that pretty much anything the buyer asks for he can have. The travelling man will say to his house that he cannot retain the trade unless the concessions asked are granted; and, as often happens, the manufacturer, being known to the buyer only through the salesman, is completely at their mercy, and accepts the conditions laid down.

Add to this the fact that the manufacturer himself does not know the cost of his goods; does not know where profit ends and where loss begins; and, of course, the travelling salesman cannot know under those conditions. He more often than otherwise only knows the selling price which has been given him, and, no matter what that price may be, his assumption is that it involves a large profit. And when a salesman goes out on the road, even with a schedule of the lowest prices, usually his final instructions from a man who does not know his cost is to "get the orders, and, if it is necessary to cut those prices, to cut them," and with such instructions the prices are cut.

There are many large firms and corporations to-day conducting their business by the old rule of thumb, and that will one day produce their downfall. Not having wrought out an intelligent system of accounting while the business was being developed, they now find themselves handicapped by a lack of system and a lack of knowledge of cost, which, with the small margin of profits which must rule for the future, is so essential if a manufacturer would succeed. Worse still, they are handicapped by a force of men in their several departments who, never having given much thought to such detail, utterly fail to appreciate its importance, many of them being now past the time of life when they are willing to learn new ways.

Almost every corporation, firm and educational institution has connected with it a certain proportion of men who act as brakes on the wheels of progress. Being too old to take up new methods, they set themselves squarely across the path of progress, and not only refuse to advance themselves, but make it next to impossible for others to make headway—their argument being that this is the way in which work has been done; these are the methods we have followed for years; they have been good enough in the past, they ought to be good enough now.

Many of these men have been connected with the business for

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a lifetime; and, in their thought, years of inefficient service ought to count as an equivalent for efficiency. They have been engaged in the industry so long that they labor under the impression that they know *all* that there is to be known; and their very conceit closes up the avenue through which light could and would come to make them more efficient, if they would but let it.

Again, there is another class of men who are and have been for years agents, superintendents and foremen, who were never fitted, either by natural endowment or acquired ability, to fill such positions. They would never have been *selected* for their present posts, but in the early days of the business they *drifted* into their places, and they have drifted ever since.

Consolidations are, for the most part, made up of firms which have grown up from very small beginnings. Twenty-five years ago it was exceptional for factories to begin with any considerable working force. They usually started small, and, from time to time, as the business increased, added to their plant. Now that has been all changed; and a plant is created in three or six months which starts fully equipped and capable of turning out a product as large as that of firms that have been working to build up a trade for a score of years.

The agents, superintendents, foremen for such new plants, usually being drawn from other going concerns, are selected because of their fitness.

The old method was very different. For example: In an office a young man was hired as bookkeeper, and he did pretty much all the office work that was not done by the proprietor. In time, as business grew, another clerk was hired. In the course of years the office staff had grown till there were a dozen clerks, and the man who chanced to be the first had been promoted at different times until he came to be the agent or superintendent. But he had stopped growing long ago, and simply held a position which he never filled. His being there, however, had prevented some one else from filling it who could, and who, had he been given the opportunity, would have rendered a larger service. Had the inefficient man been set aside and the progressive, efficient man put in his place, the business would, perhaps, have been saved from bankruptcy, and instead of the company dying of dry rot, it might be giving employment to hundreds of other employees. This illustration applies with equal force to many of

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the departments connected with almost every manufacturing establishment.

The management of the consolidation is severely criticised because it refuses to be handicapped by such men, and in making changes it often works hardship to the individual; but continuing an inefficient man in a position which he did not fill wrought hardship to the efficient man who was kept out of it, and also to hundreds of employees who have been deprived of work which the other man's ability would have provided. So that the hardship is not all on one side.

Consolidations have closed factories and have thrown many faithful and efficient employees out of work. But every failure through such inefficiency as has been described has done the same thing; and, in many cases, had the consolidation not been brought about, failure would have been the next step.

Then again, owing to antiquated equipment, poor management or economic conditions, it is simply impossible to operate some factories except at a loss; and even though the consolidation had not been consummated, many factories which have been closed by the consolidation would have been closed by the operation of economic law. The final result has simply been anticipated a little, and not a great while either.

A gentleman who was connected with a line of industry which had recently been brought under consolidation said to me that the consolidation had discharged three men, and that he was now working four times as hard as he did formerly. I suggested that a man was somewhat better than a machine and more was expected of him; but that, if he had in his factory a machine from which he could get only 25 per cent. of efficiency he would throw it into the junk heap, and if he, as a man, drawing a good salary, had been only rendering 25 per cent. of his efficiency, he, too, was entitled to a place in the scrap heap. In this day and generation, 25 per cent. of efficiency means to step out and give some one else a chance, who can and will work at higher pressure and render larger service.

The question is often asked, "What effect will these consolidations have on the wages of the workman?" Many express fears that they will operate to his disadvantage. I do not share that feeling. I believe they will eventually work to his benefit. The fact is abundantly proved that firms managed without sys-

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tem or intelligence usually pay the lowest wages. There is a reason for this, which is not hard to explain. They pay their workmen the lowest wages and produce inferior goods, sell their goods at cut prices without regard to cost, and in a large degree establish the price at which other manufacturers, who pay better wages and who make better goods, are forced to sell theirs. Their business, having been conducted without system, at the close of the year may have shown a loss or, at least, did not show such a margin of profit as they expected; and they could not see their way clear to raise the price. That is one of the last things a company conducted on the basis suggested considers; for here comes in the salesman, who says, "If you do that I cannot hold my trade." The cost must be reduced; but how? Then begins a species of haphazard figuring on very imperfect and incomplete data. Where can saving be effected? Some costs are definitely fixed. Those cannot be changed. Interest, insurance, rent, power, heat, light, taxes, etc., must be paid, and at the fixed rate. Towering high above all these items of cost stands the pay roll. That must be cut down. The cut is made and they start out once more to carry on for another season the same abominable business methods, and force other manufacturers, who want to pay good wages, to cut down the pay of their operatives in order to compete with them. This ignorance in the management reacts with mighty force on the working men and women in the factory under present conditions.

Recently a gentleman, when asked if he were going to send his boy to college, said that he did not intend to; that his son was going into business and did not need it. There was but one inference to be drawn from this man's remark, and that was that a business man to-day could get along with less brains and a poorer equipment than is necessary for a lawyer, doctor, professor, or minister of the gospel. No thinking man would agree with that proposition. A man, to succeed in business in the new century, must have the best equipment that a broad and liberal education can give him, for the great conflict to be fought in the opening years of the new century is an industrial one.

Some men sneer at commercial education. The suggestion that business can be taught in a school seems to them foolishness, their claim being that there is but one school in which business can be taught—the School of Experience in the great

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University of the World, where men are brought into contact with actual business conditions. That line of reasoning is not logical when applied to other professions. As well say that the teacher, minister, physician, lawyer, soldier must be taught in the School of Experience. Formerly, the divinity student studied with a minister, the medical student with a practicing physician, the law student read law in the office of some eminent lawyer, the engineer and mechanic were taught in the shop. While fully appreciating that kind of practical and personal instruction, men recognized its limitations. In each of these professions they felt the great lack of scientific training, and out of the consciousness of that need there has been evolved "a more excellent way," and the Divinity School, Medical School, Law School, Technical School, West Point, and Annapolis have come into existence.

In a large sense it is true that nothing can ever take the place of contact with conditions as they actually exist in the world's School of Experience; but if the training of the professional school fits a person to do his work more intelligently in the professions referred to, is it not a logical conclusion that, in the field of business, men can be trained in the fundamental principles which will enable them more intelligently to wrestle with the mighty problems which confront the captains of industry at the opening of the twentieth century? Institutions of learning will in the years to come, through such departments as the Tuck School of Commerce at Dartmouth College, train men in the principles of business. But the instruction will not be all given by professors whose knowledge of business and of business conditions is gathered from books. There will be brought into this work, I believe, men who will contribute of their knowledge gained in contact with the world of business, and who will give that service as other men give money.

JAMES LOGAN.

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HOW SCIENCE SERVES THE PEOPLE.

BY E. RENAN.

I HAVE heard that General Grant laid the foundation of his exalted career in the reputation which he gained as a teacher in those Sunday schools which have so largely contributed to the spread of popular instruction in America. With a profound sense of right, far more discerning than the cleverness of our most astute politicians, the great American republic has realized that moral and intellectual training forms three-quarters, and perhaps much more, of the influences that are most effective in the making of a man, and that to labor for the instruction and the education of its citizens is to create wealth for the country, to insure its progress, to preserve it from revolution, and to gain for it the only glory to be desired in modern times, that of peace and liberty. I shall not dwell upon this point; it is too obvious to need demonstration.

One speaks almost without contradiction, at least without avowed opposition, when one speaks of the necessity of public instruction, and of elementary instruction in particular. I propose to discuss a more difficult question, that of the necessity of higher education, the necessity of scientific teaching. I wish to prove that researches apparently most barren, in which but a very small number of persons can take intelligent interest, are often those which yield the most important results, and contribute most directly to the welfare of the people. One hears people—not infrequently even friends of the public weal, who desire progress—contend that fields of research which are purely scientific should be abandoned to the curious and to amateurs, and that the state should not concern itself with them. There are, for instance, at the College of France—that great institution which represents the highest developments of science—Chairs of

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Mathematics and advanced Chemistry, which are attended by less than ten students, simply because there are not twenty persons in Paris capable of understanding what they teach. What is the use, it is asked, of lavishing the funds of the state upon such instruction? How do chairs like these contribute to the education of the people? Would it not be better to employ the money spent upon them in providing courses more accessible, by which a great number of citizens might benefit? I hope to prove that this is a mistaken idea, that there are no chairs more useful than these, and no money better spent than that applied to their maintenance. I hope to prove that, very far from being indifferent to the democracy, pure science renders it the greatest services, and contributes largely toward the great end of democracy, the emancipation of the people and the amelioration of their condition.

It is evident, at the outset, that each practical discovery made by the human mind involves a corresponding progress in moral condition, an advance in dignity, for the entire race. Upon the monuments of Nineveh, built nearly three thousand years ago, are represented the methods of erecting the colossal figures which adorned these monuments, and some specimens of which may be seen in the Louvre. The mode of traction is wonderfully simple. Hundreds of men, yoked and attached by ropes about their necks, drew the colossal bull by the tension of their muscles. To each ten men was an overseer who distributed blows with a stick, at random, as we would not do now even with horses.

That was horrible! It was due to the fact that they had no machines, even the brutes were little used; the limbs of man formed almost their only motive force.

Take an ancient galley, one of those great Greek ships so admirably constructed; what is its motive force? It is, again, the strength of the arms of men. Inside this beautiful ship there was a hell! Hundreds of human beings, piled upon one another in a manner difficult to conceive, whose life was a perpetual groan, and who were subjected to the most cruel treatment, moved the oars and propelled the ship. This continued almost to our own times. We have pictures of the interior of a galley in the time of Louis XIV., and they are enough to make one's hair stand on end. It is not without reason that the word "galley" has re-

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mained in our language as a synonym of the most dreadful kind of forced labor. Why these horrors? There was no steam then; the art of navigation was in its infancy. The arm of man applied directly to the oar was the only means of propulsion. Take, on the other hand, our largest steamers; the muscular effort expended in their navigation is almost insignificant.

In ancient times, there was another kind of labor, almost as arduous as that of the oar, that of the mill-stone. There were neither wind mills nor water mills; grain was ground by the strength of the human arm, between two stones, one conical, the other fitting over it. To turn the grindstone was synonymous with the most cruel punishment. With the invention of mills this frightful occupation disappeared.

There are no inventions, not even the most deadly, which have not served the cause of civilization. Before the invention of gunpowder, the man who had a good horse and serviceable armor was so much the superior of the unarmed man that the unarmed man could do nothing but submit; since the introduction of gunpowder and artillery, the superiority of the horseman, of the feudal seigneur, has ceased. Every man, if he have only courage, is the equal of every other. Laws, our great modern States, the negations of feudality, have been created. Nothing proves better the solidarity of humanity. A discovery made at one end of the world becomes an emancipator, an instrument of progress, to men at the other end. A savant in seclusion detects a law of nature, and this law, when it is recognized, brings about the abolition of torture, of pain, and of inherited disgrace; an abstract calculation leads to measures of the loftiest philanthropy.

Let us study the origin of those inventions which have relieved mankind from a multitude of evils and of cruel hardships. They have originated in two ways. Among those numberless inventions which are so interwoven with our lives that we have almost ceased to think of them, there are certain immemorial ones which seem as old as the world itself, whose originators are unknown, and which were not the result of scientific research. Who invented our domestic utensils, the implements of agriculture and of our ordinary handicrafts, and the practice of all our mechanical arts No one knows. Assuredly, they who introduced vehicles, the mariner's compass, printing, metal work, distillation, gunpowder, who discovered the principles of agri-

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culture and of navigation, were not men of mediocre ability. But they were not exactly scientists, experimenting, working out in laboratories these discoveries, which, indeed, demanded clear and ingenious minds, but not a profound theory of nature, nor a close chain of reasoning. These discoveries were made in an empirical manner, and not as the result of profound calculations.

On the contrary, there are other inventions which presuppose a broad study of the laws of nature. Men, however ingenious, who had not had the advantage of the acquisitions of organized science, could never have discovered the use of steam, the electric telegraph, illuminating gas, the telescope or photography. These are scientific discoveries which imply organized science. Henceforth, there are scarcely any others to make. The field of instinctive discoveries, in some sort empiric, is exhausted; nothing more is to be found in the highways; we must betake ourselves to the most remote and unfrequented byways. There is no longer any way of creating new instruments for the service of man, unless one resorts to the most profound analysis, an analysis so profound that it is intelligible only to a very small number. Some examples will make my thought plain.

In 1819 and 1820, there were, at Paris and at Copenhagen, two savants, equally unknown, equally immersed in researches to all appearance most incomprehensible; the Dane was called Oersted, the Frenchman Ampère. On September 11th, 1820, the Dane observed a fact which impressed him, the effect produced by a wire, when traversed by an electric current, upon a magnetic needle in its vicinity. Ampère was cognizant of the fact observed by Oersted; he had long been occupied with the same train of thought; seven days later, he announced to the Academy of Sciences a fact much more general, that two threads, conjoined and parallel, attract each other when the electric current passes through them in the same direction, and repel each other when the currents traverse them in opposite directions. The phenomena of electro-magnetism and electro-dynamics were discovered. By deductions, too lengthy to be entered upon here, electric telegraphy was invented. Ampère set up in his laboratory a small apparatus, differing only from those in constant use around us in size and in practical application. There, then, is a discovery of the first importance, which has influenced every department of life, which has a future we can scarcely foresee,

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which issued from the laboratories of two savants absorbed in the most abstruse studies. Ampère was an ordinary professor; he was absent-minded, odd, obscure. Here, if ever, was an opportunity to make the objection which I am answering. "Are studies of this kind really useful? Would it not be better to have a man who would popularize knowledge, who would attract crowds to his lectures?" And you see how ill-founded the objection is. This course of study, little understood, little appreciated, gave birth to an invention which has become essential to humanity, which has without doubt helped to change the face of the earth.

I might refer to numerous other examples. Was the power of steam discovered empirically and fortuitously? Not at all. Papin and Watt were scientists, thorough scientists, and without long experiment no one could have made this discovery, the most extraordinary which can be cited. Lighting by gas is the consequence of the theory of gases, but the theory of gases would never have been arrived at but for the obscure labors of the chemists of the last century. Electric lighting has its origin in the knowledge of a force scarcely perceptible in nature, a force whose existence man deduces from insignificant facts, the attraction of amber, the torpedo fish, and from a phenomenon which has nothing apparently in common with these, namely, lightning. We may say the same of electro-metallurgy.

The progress of navigation, in the same way, is due to science. Compare the seamanship of our day with that of the past. What a difference! Formerly, men sailed from cape to cape; they feared to lose sight of land. Now the daring of voyagers knows no limits. To whom is this advance due? To Galileo, to Newton. The determination of longitude, the fundamental problem of navigation, was the result of the most abstruse investigations, from which have been deduced processes which the simplest sailor practices almost mechanically. Then remember what Galileo and Newton were—speculative scientists absorbed in the most abstract problems and the deepest calculations. The calculations of Newton, in particular, were so complex that in all Europe there were not more than ten persons who could follow them, and he himself at times almost lost the thread of them.

I should never be done if I were to enumerate all the well known discoveries which have resulted from abstract science.

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Photography, with its varied and instructive applications, would have been impossible without the development of the theory of light. The discovery itself was largely empiric. Niepce and Daguerre proceeded in the most singular fashion. We cannot call them scientists, like Ampère and Oersted; but they were men acquainted with the teaching of science, and took advantage of instruments contrived before their time.

Shall I speak of chemistry, of those astonishing applications which have transformed industry, and have led to such an enormous increase in wealth, to the advantage of educated and civilized peoples? The discovery of artificial soda, due to Leblanc, about 1789, for example, has been of great importance. There is hardly a chemical process in which this important product is not employed. This bit of paper, this glass, this painting, the linen which we wear, our coats, in the manufacture of all of them soda plays an important rôle. Formerly, soda was obtained only from vegetable ashes. Once its composition was determined, it was possible to produce it directly. An immense economy has thus been effected, and at the same time a great change in the location of wealth. Artificial soda is the object of a commerce amounting to many millions. Formerly, soda was obtained from Alicante and the coasts of Spain. The progress of chemistry has transported the source of supply to Sicily, the principal producer of sulphur. But notice how nothing can take the place of the energy of a people. It is not Sicily but England which has benefited. Coloring matters afford an analogous example. The progress of chemistry, in utilizing the by-products of the gas house, has ruined Guatemala, from which cochineal was imported. Thus is established the great law that the most industrial nation, that is to say, the most scientific nation, surpasses the other nations, and that the nation which is not industrial, that is to say, the nation which is not scientific, is at the mercy of a discovery which may at any moment dry up the fountain of her wealth. In a word, the existence of communities is more and more dependent upon science. And do not think that this is true only of applied science. The application is always the outcome of the most abstract theories. Not one of the applications which we have enumerated would have been possible without the Lavoisiers, the Thenards, the Berthelots, and the many other learned chemists who are the glory of our century.

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Agriculture itself, that extremely practical industry, has benefited greatly by the fruits of abstract science. Consider how much effort of the human arm has been supplanted by agricultural machines, by the enormous threshing machines, for instance. Remember how arduous was the labor of the harvest formerly! Now a machine takes the place of all that effort, and makes it useless. Recall the revolution in the wealth of the State produced by the manufacture of beet sugar. And artificial manures; there again is a direct application of science. Formerly, before the advance in chemistry, natural substances were regarded only as specific compounds, and treated as such, and long and painful journeys were undertaken in search of them. Now we know their elements and we take these elements wherever we find them; we compound these elements ourselves and are no longer obliged to search for the compound where nature has made it. Great economy results from this, and every economy is so much gained for the people, as it diminishes the labor necessary to procure a pleasure or a necessity.

I pause, and yet what might I not say of the benefits which humanity has derived from physiology, from the sciences of life? Formerly, a certain cutaneous malady was considered incurable, constitutional in the last degree; its treatment was forbidden. Now it is effectually cured in a very short time. And when we shall walk boldly in the path opened by the Claude-Bernards and the Robins, there are no limits to what we may hope for. A host of ills considered incurable will be relieved or even removed entirely.

Have I succeeded in showing that studies apparently restricted to a limited number of people are the fruitful mothers of discoveries by which all benefit; that the people have a greater interest in them than the savants who labor to increase the sum of human knowledge; that the most valuable inventions result from labors begun in solitude and obscurity? And these inventions are as nothing to those that might be made, and the benefit which has resulted to the people is as nothing compared to that which is yet to accrue to them. Consider that it is scarcely a hundred years since science was seriously applied to the needs of life. If new inventions and machinery are at times a temporary cause of trouble and distress to the workman, it is due to the unfortunate fact that social transformations work themselves out

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slowly, at least that they do not keep pace with inventions; it takes time to re-establish the equilibrium. But I have no fears for the future. I am convinced that the progress of mechanics and of chemistry will be the redemption of the workingman, that the physical labor of humanity will go on always diminishing in quantity, and becoming less arduous; that thus humanity will be more free to lead a life happy, moral, intellectual. Hitherto, the culture of the intellect has been only a luxury, because material needs are imperious and these must be satisfied first of all. The essential condition of progress is that the satisfaction of these needs shall become more and more easy, and it is not too rash to foresee a future in which, with some hours of not arduous labor, man will discharge his labor debt, and redeem his liberty. Be assured that it is to science that this result will be due. Love science, respect her, believe in her! She is the best friend of the people, the most certain guarantee of their progress.

And what if I should speak of the moral and historical sciences, of the principles of gentleness, of toleration, of humanity, which are the most definite result of modern philosophy? What if I should tell of the light thrown upon the nature and history of humanity by researches which, apparently, are purely special; of the guidance drawn from the study of the past for the direction of the present? The charter of the rights of the people was the discovery of the savants. Voltaire—that is to say, the man who has done most to establish in the world the empire of good sense, of justice, and of toleration—Voltaire was the product of these moral and historical studies. It was the study, often profound, of the past, which revealed to him how many are the evils engendered by ignorance, by superstition, by prejudice. Turgot and Condorcet also drew from their immense knowledge that admirable sentiment for progress which should give them as high a place among the benefactors of the human race.

Science, which is often regarded as a sort of haughty aristocracy, is, on the contrary, that which teaches respect for the people; through it are made plain their history and their future. Science is like a cascade which has its source in the glaciers of the mountains, in the midst of the snows, in an atmosphere in which few people can breathe. Thence it flows down in a thousand rivulets, it comes within reach of all, it is a blessing to all. Let us be on our guard lest, under the pretext that the glacier

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whence the cascade comes is high above us, we deny its benefactions. To use another simile, let us beware of being like the savage who cuts down the tree to get the fruit. There is a real danger in that, but I hope that modern society will avoid it. Some superficial persons see the practical results of science, and think it possible to attain them directly, without the theories of chemistry and physics, without mathematics, which have given birth to these prodigies. With these persons, only the applications count. They wish to have the fruit without the tree, the consequences without the principle.

I am not one of those who disquiet themselves unduly over this error of some individuals. I do not believe that the democracy shares in it. The future belongs to the democracy, in intellectual matters as in work of all kinds; some day it will be necessary to reckon with everybody, and not with certain privileged classes. That which the democratic régime will one day honor with its favor will be, I fancy, very aristocratic. The art which the people will encourage one day will be great art and not the prettinesses which please in a decadent age. Notice that in a museum the people never pause before what are called the "genre" pictures; they go at once to the pictures with great subjects. In 1848, in the public readings, only the finest things were successful, Corneille, for instance. The literature which the people shall inspire will be, I hope, a noble literature, addressing itself to lofty sentiments, and not a frivolous literature of smart things and elegancies of construction. The style which the people will wish will be pure French, simple and natural, not a mannered tongue, varying with every wind of doctrine which individual fancy may attempt to create. I even hope that the future democracy, without entering into the detail of science, will grasp instinctively its spirit and its range. The people will understand that the progress of positive research is the most definite acquisition of humanity, and that this acquisition is more important than all else to those whom it delivers and ennobles. A world without science means slavery; it means man turning the millstone, in subjection to matter, living like a beast of burden. The world ameliorated by science will be the kingdom of the spirit, the dominion of free men.

Let us unite in this hope. Faith in progress is the great consolation of those who work and struggle for the future. Let us

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recall the illustrious Condorcet. In 1793, a victim of the Revolution for which he, more than any one, had prepared the way, we see him proscribed, forced to flee. He finds an asylum, in the suburbs of Paris, in the house of a devoted friend. What does he do in his retreat, with death hanging over him? He writes an admirable book, the picture of the future progress of the human intellect. What courage! Death menaces him every hour; a less heroic soul would have cursed that ungrateful Revolution which wished to kill him. He has, for the present, neither anger nor reproach; not for a moment is he disturbed; he writes his book. Menaced by the blindest fanaticism, he thinks out the ideal which will one day be realized. Admirable serenity of a sage! Even while iniquity and tyranny are in the ascendant, he proclaims the near triumph of liberty and justice. Not for an instant does his pen tremble. Scarce a sound from without penetrates to his retreat. One day a scrap of a public print brings to him the text of the terrible law against the suspects, which doomed to death any one who gave shelter to a proscribed person. Then he announces to the brave woman who had sheltered him, Madame Vernet, that he is going to leave her. "I am an outlaw," he said. "But I," she answered, "am not without humanity." He escapes, lives many days in the woods of Clamart. Hunger obliges him to leave his hiding place; a few days later he is dead. Let us not mourn over his memory; he had his faith, that faith which, when the heavens are overcast, opens the future for us, that faith which assures us that those who follow us will enjoy the fruit of our labors. Following his example, let us be unmoved by passing trials; let us, like Condorcet, know how to hope in the hour of storm for the happier days, when humanity, grown wise, will profit by the efforts of those who have labored and sacrificed themselves for it. E. RENAN.

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THE PRESENT CRISIS IN RUSSIA.

BY PRINCE KROPOTKIN.

THE last students' disturbances in Russia were quite different from all the disturbances which have taken place in the Russian universities for the last forty years. They began, as all students' movements begin, with an insignificant incident, which concerned the students alone; but, owing to a series of circumstances quite peculiar to Russia, they took, all of a sudden, a political complexion; and in this respect they acquired such a significance that they will now count in the history of the constitutional movement in Russia as an important milestone. Consequently it is impossible to speak of the last events without going deeper than their surface—that is, without touching upon the general problem of education in Russia, and without mentioning the steps through which the development of the constitutional idea has passed in our country since 1861.

During my stay last month, at Cambridge, the Harvard students held a noisy meeting to protest against the "mutton monotony" of their food at Memorial Hall. In a similar way, but with a more serious purpose, the Kieff students, excited by the fact that one of them had been brought before the justice of the peace for misconduct in the streets of that city, also held a meeting. At Harvard, the meeting ended in fun; but at Kieff the dean of the university excluded a number of students from the university, for one year, for having held that meeting, and put others under arrest. "What would you do in such a case?" I asked several Harvard men; and the reply always was: "Why, of course, hold another meeting!" This is what the Kieff students did. They held another general meeting and asked the dean to have a talk with them. Whereupon the dean sent for the town police, the state police and the troops. Incredible

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though this may seem, it actually happened. It is confirmed, not only by scores of private letters, but also by an official statement, published in the *Official Messenger*. "The meeting was illegal, and the dean sent for troops to disperse it." The most intelligent of all those who were summoned by the dean proved to be the head of the Kieff State Police, the Gendarme General Novitsky. I knew him: he examined me while I was kept in the St. Petersburg fortress. He is intelligent, and my opinion of him was that, like so many others, he is a better man than the institution he belongs to. General Novitsky, seeing that the meeting was quite peaceful, brought in the dean, who was immediately offered an armchair by the side of the chairman, and was treated very politely by the students. But the meeting ended in nothing—the dean refusing to revise his orders. "Was not the meeting uproarious? Was it not political?" I was asked by my American friends. "No, the facts were as I state them; the *Official Messenger* itself has confirmed them." "Was, then, the dean a madman, or a fool?" "No, he was not either of these." And there lies the clue to all the students' disturbances of the last forty years.

Everything has been reformed in Russia since 1861. Serfdom was abolished; corporal punishment was nearly got rid of; new, open courts, with juries, were introduced; some sort of self-government was given; military service was entirely reformed and rendered obligatory upon all—education alone was treated as a step-daughter, with suspicion. All Russia, from the log hut to the mansion, wanted and loudly called for education; women and men of the wealthier classes were ready to give any amount of time and money to spread education among the peasants. They are ready still. And everywhere the efforts of the university professors and of the directors of the colleges, of the provincial self-governments, of the wealthy municipalities and the private donors, were rebuked, annihilated, by the successive Ministers of Public Education, who, since 1862, have always been nominated, not to spread education broadcast throughout the country, but to prevent its spreading.

Such a statement must sound, of course, very strange to an American ear; but if persons belonging to different parties in Russia may explain and excuse the fact in different ways, all will agree, nevertheless, that the Ministers really endeavored to

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keep education within certain narrow limits, rather than to allow it to be spread. Moreover, here are some conclusive facts. Thus, for instance, while even now we have in European Russia only one school for each 2,230 inhabitants, and while only one child out of every twenty or thirty children of school age goes to school (as against seven in England), the Ministry of Public Instruction, for years in succession under Alexander II., returned every year to the State Exchequer one-half of the poor allowance of $4,000,000 a year for the primary schools, which was inscribed in the budget. It found no use for the money! And if the Ministry of Public Instruction spends now its budget allowance in full, it is because it has hit upon the following plan: It does not open schools of its own, but spends the money in subsidies to the village clergy, who, leaving aside their general ignorance, keep schools mostly on paper only. Their time being fully taken up by their regular duties (marriages, burials, etc.), they generally pay quite ignorant cantors, or retired soldiers, to attend to the schools. And all this is perfectly well known in Russia. It is continually mentioned and repeated in the press, in the provisional assemblies, and in the local school boards. And yet no heed is taken by the central government of this permanent, standing cause of growing discontent.

The more free a region of Russia is from the direct influence of the Ministry of Public Instruction, the better it stands for education: this may be taken as a general rule. Thus, in Caucasia and Turkestan, which both find protection from the Ministry of Public Instruction in their independent Governors-General—who usually are enlightened general staff officers—there are more schools and the schools are better than in Russia proper. The Caucasian educational district is especially foremost on this account. As to Russia itself, the province of the Don Cossacks, of which the Cossack territory is under the Minister of War, has beyond comparison the greatest number of the best schools, primary and secondary, for boys and girls alike. Again, the provinces which have local self-government *(zemstvo)* have nearly twice as many schools, in proportion to their population, as the provinces which get their schools from the Ministry.

Nay, nowhere else in the world could one find the following anomaly. For thirty years, all parents in Russia were crying, shouting and agitating for a reform of the lyceums. Not Greek

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and Latin, they said, but natural sciences and technical knowledge must be laid as a foundation of the teaching in lyceums. "More technical schools of all degrees," was for forty years the general demand. Everywhere Russia wants more engineers, more chemists, more skilled workers and more educated technical experts. All the reviews and papers, with the exception of the *Moscow Gazette,* are full of bitter complaints of the parents about the want of *Realschulen* and technical schools. Protectionism, maintained with a view of developing national industries, and an absence of technical schools are evidently self-contradictory; and yet, for forty consecutive years the Ministry of Public Instruction has bitterly fought against all Russia, refusing technical schools; it has maintained that a scientific and technical training would breed revolutionists; while—to use an official avowal—"the boy who must translate for to-morrow morning two pages from Cicero will have no time to read Pisareff or Dobroluboff." It is only now, since the Minister of Finances, De Witte, has publicly declared that the State cannot own the mines and the State railways, regulate the output of all the spirit and sugar factories, and favor the growth of Russian industries in the interest of the State budget, unless it does its utmost for spreading technical education, that a step has been taken to reform education in the lyceums, to turn it more in the direction of natural sciences, and to open a number of polytechnicums and lower technical schools.

The fear of the revolutionary spirit, which would grow, it was said, in Russia and render absolute rule impossible, so soon as education is spread in the country, was so great that two generations of young men were sacrificed to it. Scores of quite ignorant Czechs, who did not even know Russian, were shipped from Bohemia to teach Latin and Greek; and they taught it in such an abominable way that only *two per cent.* of all the boys who entered the lyceums could finish the eight years' course and be admitted to a university. The Government preferred to let loose upon Russia crowds of boys who left the lyceums as absolute ignoramuses after a three or four years' mechanical study of Latin and Greek, rather than to make any concession to public opinion in the way of a more reasonable scheme of education.

As to the universities, nearly all the best professors, the glories of Russian historical and humanitarian sciences, were

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compelled to abandon their chairs: Kostomaroff, Kavelin, Stasulevitch, M. Kovalevsky, the physiologist Syechenoff, and others like them, were compelled by ignorant heads of Educational Districts, and equally ignorant Ministers of Education, to retire.

The study of comparative State law was prohibited, and the Russian students had to remain in ignorance of the constitutional laws of the civilized nations. The study of Russian history, law and economics became a study of "conventional lies;" the general tone of university teaching was lowered. With natural sciences it was still worse; such chairs as that of geology and physiology remained unoccupied for years. A geologist myself, I have passed through the St. Petersburg University without ever having heard one single lecture on geology.

As to the students, every young man, as soon as he entered the university, was placed on the list of suspects. Police spies and provoking agents swarmed in the universities; laws upon laws were issued to prohibit all sorts of meetings in the university buildings or in private lodgings. Gradually, the higher authorities of the Ministry of Public Education came to the view that every student must be looked upon as an enemy of society, and be treated as such; so that both the deans and the curators of the Educational Districts were chosen by the Ministry from among men who were better known for their police capacities than for their learning. Consequently, when, three or four years ago, the St. Petersburg students, at their anniversary meeting, whistled at the appearance of one of their professors, while they cheered the others, a thing which happens and will happen in every university, the dean sent immediately for the police, who brutally assailed and dispersed the students as they were leaving the university building in a crowd, and the famous beating of the students on a bridge across the Neva followed. Many of the students were arrested on this occasion, and hundreds were excluded from the university. On learning this, all other universities made a strike, refusing to follow the courses so long as their St. Petersburg comrades were not released; the result being that many hundreds of young men were excluded from the other universities as well. It so happened, however, that when the police were beating the students on the Neva bridge, the Dowager Empress passed by, and was cheered by the students. So she spoke to her son: "They were quite loyal," she said; "they

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cheered me. Why do you allow the police to treat them so brutally?" The result was that the ex-Minister of War, General Vannovsky, was appointed to make a general inquiry. He proved that there was not the slightest reason for calling in the police, lectured the police authorities, cancelled nearly all the orders of exclusion of students, and released all of them. A military officer had thus to interfere for the defense of the students against the Ministry of Public Instruction.

It is thus evident that the dean of the Kieff University was neither a lunatic nor a fool. He was simply an obedient functionary, who acted in accordance with the instructions of his principal—the Minister of Public Instruction, Bogolépoff.

M. Bogolépoff, in his younger days, was more or less of a Liberal; but, since he has obtained his nomination as Minister of Public Instruction, he has been a mere tool in the hands of the Procurator of the Holy Synod, Pobiedonostseff, a narrow-minded fanatic of the State religion, who—if it were only in his power—would have burned at the stake all protestants against Orthodoxy and Catholicism. And it was these two men, Bogolépoff and Pobiedonostseff, who reported the Kieff affair to the Czar.

The further development of events is well known through the daily press.* When the Kieff disorders were reported to Nicholas II., he said, first, that he had had enough of these students' riots and would close all the universities.† He spoke next of sending all "riotous" students to Port Arthur, and finally issued, through his Minister of Public Instruction, but against the advice of the Minister of War, an order, in virtue of which the students who took part in university disturbances would henceforward be punished by being sent as privates to the army for terms of from two to three years—the punishment to be inflicted by special courts nominated *ad hoc* and composed of university professors, town-police and State-police officials, and military officers; their sittings to be kept secret. One hundred and eighty-three Kieff students and twenty-two St. Petersburg students were condemned to this punishment and were carried away as criminals, in absolute secrecy, to some unknown destination, presumed to be Port

*See also an article of mine in The Outlook, April 6, 1901. The doubts which I expressed there as to the accuracy of the sensational telegrams concerning plots against the Czar's life have been fully confirmed since. It is now stated by the New York daily press itself that they were mere inventions, coming no one knows whence.

†Telegram to the London Times from its own correspondent, confirmed since by private letters.

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Arthur. Twelve of them refused to take the military oath of allegiance to the Czar, and were consequently court-martialed and condemned to death, and finally sent to military hard labor for life in military punishment battalions.

These measures produced, as might be expected, a general commotion all over the country. I have seen letters written by parents of high standing to their friends, showing a state of complete exasperation. Hundreds of parents rushed to St. Petersburg in order to try to save their sons. Representatives of the law—namely, the public prosecutors at Kieff and St. Petersburg—one General of the State Police and one military General who took part in the above-mentioned courts, protested in writing against the application of the Imperial Order; and sixty-five university professors wrote to the Czar a letter, at the risk of being treated as rebels and sent to Siberia—collective letters to the Czar falling under the law of conspiracy—urging him to withdraw his Order, and sending their letter to London for publication. And when 12,000 students united in a general uprising, and the student manifestations at St. Petersburg, Moscow and Kharkoff, supported by demonstrations of the organized workingmen, were dispersed by the lead-weighted horsewhips *(nagaikis)* of the Cossacks, who cut open the faces of men and women in the streets, the general indignation was so intense that it burst out openly. The "respectable" Society of Authors, a venerated member of the Council of the State, Prince Vyazemsky—nay, the very Cossacks of the Bodyguard—protested against the treatment of the crowds; and finally the Committee of the Ministers, assuming for the first time since the reign of Alexander I. the rôle of a "Ministry," discussed the Imperial Order and insisted upon its withdrawal. It refused to acquiesce in the will of the Czar, which was to proclaim a state of siege at St. Petersburg, and it obtained from the Emperor the dismissal of the St. Petersburg *préfet de police,* General Kleigels.

The cause of this unanimous discontent is self-evident. What would the Americans say if President McKinley had ordered the Harvard students involved in the above-mentioned meeting to be sent to the Philippines? The country would certainly rise in indignation; that is what happened in Russia. All Russia said that the Czar's Order was a return to the abhorred "times of Nicholas I." And yet, in fairness to Nicholas I., I must say

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that the idea of making military service a general, legal measure of punishment never crossed the brain of "the iron despot," although he might have had an excuse for it, because in those times the serf-owners used to punish their serf-servants by sending them to the recruiting boards. It is true that Nicholas I. sent the poets, Polezhaeff and Shevchenko to be soldiers, but he did it in the following way: The student Polezhaeff had written a poem, *"Sashka,"* in which he insulted the Czar and his favorites; and the poem circulated in manuscript copies, one of which was reported to the Czar. Nicholas I. sent for Polezhaeff at night, made him read the poem aloud, and finally said: "You know what punishment you must undergo for having written these verses? Now, I waive it, and give you the means of rehabilitating yourself by military service. Are you ready to serve as a private in the army?" And when Polezhaeff, having no choice, accepted the offer, Nicholas added: "Try to distinguish yourself, and to win the officer's grade; and if you are in any difficulty, write to me directly"—which Polezhaeff really did once, with a good result.

All Russia knows this episode from the unfortunate poet's life, which is recorded in his biography. All Russia has commiserated, and commiserates still, himself and Shevchenko. Could it, then, accept the Order of Nicholas II. otherwise than with general indignation?

As to the idea of making military service a general measure of punishment, it shows on the face of it that it is unconstitutional; and it remains an open question whether the Cassation or Judiciary Departments of the Senate (which have lately shown on several important occasions their intention to prevent the abuses of power of the high functionaries), if the question had been brought before them, would not have declared the Czar's Order contrary to the existing military law and reprimanded the Minister of Public Instruction for having submitted a measure which was unlawful for the signature of his sovereign. Of course, we have no constitution in Russia; but "Autocracy" is not "Despotism." The Czar may repeal any existing law by bringing the proposal of its repeal before the Council of the State; even if his proposal obtains only the minority of voices, he can carry it through by voting with the minority. But the proposal must be laid before the Council, and so long as a law

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has not been repealed, it is equally binding both on the Czar and his subjects. Thus, a Czar cannot marry a lady who is his own subject without forfeiting his rights to the throne—such is the law of Russia; and he cannot reintroduce serfdom, or abolish obligatory military service without submitting such schemes of law to the Council of the State. Still less can he issue an Order which violates the existing law—it being the duty of the Senate to remonstrate with him in such a case before it promulgates the Order. Such is, at least, the State Law in Russia.

Of course, if the Czar's Order had not run so strongly against the general feeling of the country, its illegal character would have passed unnoticed. But now that a rash and ill-tempered measure of the young autocrat has set the whole country on fire, resulted in bloodshed in three large cities, and nearly became the cause of further disasters, not only its illegal character has become the subject of general discussion, but the thinking and mature portion of the country, including the Czar's own ministers, have vividly realized the dangers of autocracy—that is, of the rule of an irresponsible *clique* of courtiers. The Minister of Finance, De Witte, evidently has grown especially hostile to that rule since he saw the other day that, were it not for his violent opposition, all his many years' patient work of reconstructing Russian finances would have been nearly upset by a panic-born declaration of a state of siege at St. Petersburg, which measure would have meant the rule of martial law, executions, gallows and terrorist reprisals—and also the failure of all loan negotiations, so important now, after the China and Manchuria scare. The education question was thus driven to the background, and the great question, Autocracy or Representative Government, which has never ceased to pre-occupy Russia since the year 1861, suddenly rose full-fledged out of the disturbances.

Foreigners do not usually realize the depth and breadth of the constitutional movement in Russia; but the fact is that twice within the last forty years—namely, in 1860-1863 and in 1880-1881—Russia has been on the eve of becoming a Constitutional Monarchy. When serfdom was abolished in 1861, and the series of reforms which ended in the abolition of the *knout*, the installment of provincial self-government, the new judicial law and the military reform, was under discussion, it was generally considered that these reforms were only preliminary steps toward

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what was described then, in Napoleon III.'s words, as *"le couronnement de l'édifice"*—the crowning of the building—that is, the convocation of a Parliament. Every one at that time was persuaded that the granting of a Constitution was only an affair of a few years—deferred only for such time as might be necessary for working out the preliminary reforms, such as the reform of the courts, or the establishment of local self-government. Nay, the way in which the financial questions concerning the general economics of the Empire were neglected then by the reformers was very characteristic of their ways of thinking; the general impression being that the reconstruction of the miserably poor financial affairs would be the proper duty of the *Zemskiy Sobor,* or Representative Assembly.

I have described in my memoirs how, in a remote province of Siberia, the Governor of the province, with his aide-de-camp and the heads of the Cossack administration, and of the Judicial and Excise departments, worked hard in those years upon reforms which the St. Petersburg Government intended to accomplish—municipal reform, prison reform, and so on. But what we did then in one small town was done in every other provincial town of Russia, thousands and thousands of men working most conscientiously to complete the great changes which were considered as preliminary to the great reform—the Constitution. All honor is certainly due to Alexander II. for having dared to announce his intention of liberating the serfs and of reforming all the inner life of Russia, and especially for the support he gave to the granting of land to the liberated serfs. But the colossal work of elaborating the scheme of emancipation, the new Judicial Law, and so on, in their infinitely complicated, minute details, belongs to Russia itself—to the many thousands of men who joined in this work. All intellectual Russia—historians, political writers, landlords, functionaries of all classes, military men and "men of no rank"—have had their share in these reforms. And all of them, beginning with the Winter Palace itself and ending in the smallest provincial town, knew, and said, and wrote that a representative government would be the only way to consolidate these reforms and to make them bear fruit. Nay, the necessity of this "consolidation" was so keenly felt in 1861 that I often heard it said in my youth that, if Alexander II. should fail to grant a Constitution, his brother, the Grand Duke

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Constantine, might become, in case of need, a Constitutional King of Russia.

The Polish insurrection of 1863, and especially the menaces of intervention in favor of the Poles which were made by Napoleon III., and the vague promises made to them in England, put an end to all these hopes; the "nationalist" serf-owners' party headed by Katkoff took the upper hand, and there was no question more of a Constitution till the years 1880-1881.

In 1880, when the Terrorist Executive Committee fought its terrible war against the Czar, Alexander II. himself renewed the constitutional hopes, after the Winter Palace explosion, by investing General Loris Melikoff with nearly dictatorial powers. This nomination was generally understood as indicating a desire on the part of Alexander II. to grant a Constitution, and the subject began to be discussed in veiled terms in the Russian press itself. In fact, when one reads the memoirs of Loris Melikoff, in connection with what is known from various other sources about the same period, one necessarily comes to the conclusion that the promulgation of a Constitution was extremely near at hand during the last few months of the life of Alexander II. If it was not done, the fault was, on the one side, in the indefinite and changeable mood of the Emperor's mind, and, on the other, in the lack of decision on the part of Loris Melikoff himself. Alexander II. evidently wanted to have by his side a man who would, so to say, force upon him the decision of which he saw at times the necessity; but Loris Melikoff was not the man of firm will who was required to achieve that end.

At any rate, it is a well-known fact—which has been rendered public even in Russia, with the authorization of censorship—that on March 13th, 1881, Alexander II. had signed an Order enjoining Loris Melikoff to lay, on the following Thursday, before the Council of the State, a scheme for the convocation of what the Emperor himself described as an *Assemblée des Notables.* Representatives elected in each province through the intermediary of the provincial district Assemblies *(Zemstvos)* had to be summoned to St. Petersburg, in order to discuss the general affairs of the State.* It is also known that Alexander II. was killed this same day; whereupon Loris Melikoff, instead of sending im-

*The details concerning this "constitution" are published in Loris Melikoff's Memoirs, and, independently, in a work on the Russian State Law, published in Russia in 1900.

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mediately to the Senate's printing office the order signed by the Czar, hesitated to do so, and waited for orders of the new Czar, Alexander III., who, after a few weeks' hesitation, issued a Manifesto, in which he announced his intention of remaining an autocratic sovereign. This Manifesto induced all the ministers of his father, including Loris Melikoff, to resign.

The history of these few weeks is extremely interesting and is told in detail in the Memoirs of Loris Melikoff; but, strangely enough, it is hardly known except among the Russians. And yet it is a fact that it was only owing to a chain of circumstances, almost accidental in character, that Russia did not get a Constitution during these five or six weeks—historical "accidents" being evidently due themselves to deep-lying causes. The old German Emperor, Wilhelm I., very seriously advised his nephew, by letter, to grant a Constitution, only adding that he must have the civil list in his own hands. Several schemes providing for a Constitution were also submitted to Alexander III.—the most intelligent of them being, in my opinion, the scheme of the Grand Duke Constantine. He advocated something similar to what Canada has now—namely, seven different Parliaments; and, taking into consideration the vast population of Russia (150,000,000 by this time), its sparseness over vast parts of the Empire, the unmanageable character of a Parliament which would have at least 3,000 deputies, as also the diversity of the manners, customs and interests in different parts of Russia—it is evident that a federalist scheme, similar to the scheme advocated by Constantine, would have been infinitely preferable to any centralist scheme. As to Loris Melikoff's scheme, I have already mentioned it. It came, after all, to very little, and was evidently centralist. Notwithstanding all these difficulties, Alexander III. seems to have made up his mind to grant a Constitution, and Melikoff mentions a note which the Czar wrote to his brother: "At last," he said in this note, "I have the mountain off my shoulders. I have asked my ministers to draft the scheme of an Assembly of Representatives." But the ministers seemed to lose time in further hesitations, while the head of the conservative party, Katkoff, lost no time in coming to St. Petersburg and in supplicating Alexander III. to take no such step. It is also very probable that Pobiedonostseff, and even the quite honest democrat Slavophile, Ivan Aksakoff, acted in the same way—the

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latter advising the Czar to reduce, first, by his own authority, the taxation burdens which were crushing down the peasants. At any rate, the "Programme of Alexander III.," which was printed in a French review, and the authorship of which is attributed to Turgueneff (the translation, I should rather say), contained such a series of measures in the interests of the peasants as was suggested by Aksakoff—namely, the abolition of the poll-tax and the tax on salt, a notable reduction in the redemption tax for the allotments of land, the consolidation of the village community. Seeing on the other side that his ministers were extremely slow in preparing a draft of a Constitution, and thinking that it was necessary to put an end to the unsettled state of affairs, Alexander III. wrote, a few weeks later, to his brother that he had at last decided to retain autocratic power, and that he had asked Pobiedonostseff to write a manifesto to that effect.

It is thus seen that foreign rather than domestic causes prevented Alexander II. from taking in the sixties further steps in the constitutional direction; and that twice during the year 1881, the two Czars, Alexander II. and Alexander III., were on the very point of granting to Russia a Constitution, or, at least, of taking the first decisive steps in that direction. The idea of a Constitution is ripe in Russia, even in the highest administrative spheres, and consequently one need not be astonished to see that disturbances which began in a university suddenly acquired the importance of a constitutional question. In fact, this idea has never been abandoned since 1881, and it has ripened, especially since the death of Alexander III. The nomination of General Vannovsky to the post of Minister of Public Instruction will not diminish the difficulties of the general situation, and new conflicts are sure to arise upon minor points between the young Czar and the country, as well as the highest functionaries in the State Administration. Speaking plainly, the fact is that Russia has outgrown the autocratic form of government; and it may be said confidently that if external complications do not disturb the peaceful development of Russia, Nicholas II. will soon be brought to realize that he is bound to take steps for meeting the wishes of the country. Let us hope that he will understand the proper sense of the lesson which he has received during the past two months.

P. KROPOTKIN.

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THE MISSIONARIES AND THEIR CRITICS.

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If any explicit reason were to be given for this utterance on a matter already well before the public, it would correspond closely to that with which the writer of the third Gospel, in the first four verses, introduces his narrative. An official correspondence with the missionaries of the Board located in Peking and many other principal cities in China, continued through more than sixteen years, never closer or more ample than during the past seven months, has given me special opportunity for prompt and full acquaintance with the course of events. A visit in person to these very scenes three years ago, which lasted several months and was devoted to the study of the missionary work in all its features, lends me a further advantage in understanding the situation. While other sources of information common to all have not been neglected—and these, in many instances, are of great value—the statements which follow rest chiefly on the authority of these correspondents, who have been long in China and are familiar with the history and customs of the people, and who have been at the very center of the most critical movements of these last months.

We all remember that dispatches from China last summer, during the siege in Peking and the time immediately before and after that event, were sometimes misleading, sometimes absolutly without foundation—a fact due, not always to the fault of those who sent them, but to circumstances beyond their control. It was necessary to wait for corrections, or for further particulars, in order to be sure that we were dealing with the real facts in the case. Letters from responsible sources, though slow in coming, were found to be of special value in giving a clear and con-

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nected view of the situation. And though matters have improved since the siege was raised, caution is still needful in receiving news from the Far East.

The events which have attracted special attention of late, and about which this article particularly concerns itself, pertain to the Chinese refugees who were robbed and driven from their homes by the fury of the Boxers last June, and to the measures taken since the siege to care for them and re-establish them in their homes. Many other things have happened in and around Peking, not among the missionaries and their charges, very closely affecting the honor and good name of the Christian nations, from even a scanty recital of which we shrink back astounded and ashamed, of which a high authority has recently said in public: "The Church has been set back, nobody knows how long, by the behavior of Christian nations in China." It is not, however, these events which are now attracting public attention, and which are here considered, but those which pertain to the missionaries and their native protégés. Attention is especially directed to what two of their number have done, namely, the Rev. W. S. Ament, D. D., and the Rev. E. G. Tewksbury, both missionaries of the American Board, the former twenty-three years in service, the latter eleven. These gentlemen have maintained a high standing among their associates for ability, good sense, and all manly, Christian qualities; and to-day the officers of the Board have an unshaken confidence in their integrity and sound judgment. To us who know them, it would be unworthy and ungrateful not to speak the truth and clear their names at once from calumny, and set their brave, whole-hearted deeds in the light of day, and claim for them the honor and praise which they deserve. These two gentlemen have been especially prominent, because, in the missionary groups in Peking, it fell to the lot of each of them to provide for a large body of Chinese refugees. In doing this, they have discharged a duty which rested on the whole body of their associates, they have continually consulted their colleagues, and followed their judgment, and their course has been mentioned with approval in the letters of their associates and formally indorsed by the mission as a body.

The proper background of the present situation in China is the Boxer movement of a year ago. Those bands of half patriotic, half religious fanatics had been in evidence for more than

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a year before the siege of Peking, and, with the connivance of Yü Hsien, the governor, had produced great disturbances in the province of Shantung. But a year ago, with the open or covert approval, if not the authority, of the government at Peking, these bands became far more numerous and destructive. They spread themselves over three provinces, they attracted volunteers from the villages where they were harbored, they spread terror and anarchy all the way from the Yellow River to the Great Wall. The rising tide of opposition to foreigners, studiously fostered by the Empress and the leading influences at court, was made effective through this movement. The efforts of the Boxers were directed especially against the native converts, because of their connection with the foreigners. These converts were crushed by heavy fines, they were robbed, they were driven from their homes, and in due time they were slain by hundreds and thousands. The movement gathered sufficient headway at length to direct its destructive agencies against foreigners themselves, and many scores of missionaries, railroad men and those engaged in other business, lost their lives at different points. Railways were torn up, stations destroyed, hospitals, churches and foreign residences were looted, burned and razed to the ground; the country was filled with havoc and terror, and the movement culminated in the siege of Peking. All treaties with foreign powers were thrown to the winds; China defied the world; the Imperial Army joined the Boxers in deliberate, long-continued efforts to exterminate the Legations, the marines that guarded them, the missionaries and all other foreigners that had taken refuge therein. Happily, this outrage failed of its object; the allied armies at the last moment raised the siege; the Empress, the court, the Boxers and the Chinese army fled; and Peking was in the hands of foreign Powers. These deeds of blood and nameless horror, this open challenge to the world, and this overwhelming collapse, precede and explain the condition of things with which we deal.

When the siege was raised, the missionaries were left with great bodies of native Christians utterly dependent upon them for everything. The missionaries themselves were left without homes, without resources, with these hundreds of homeless, helpless people looking to them for aid. The situation was extraordinary. The convulsions of the siege had not subsided. Chaos reigned within Peking and in the country around it. Attention

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cannot be too strongly called to the abnormal conditions in northern China precipitated by the fury of the Boxer movement, which culminated in the siege of Peking and continue to this very day. The Imperial government was paralyzed, provincial and local government was interrupted, foreign forces held Peking, Tientsin, the road between them and the way to the sea.

Messrs. Ament and Tewksbury, of the American Board, like the missionaries of other Boards in similar positions, felt that it would be intolerable for them to suffer those Chinese refugees, who had helped during the siege and won encomiums for the share they had borne in it, to perish, as they must if something were not done in their behalf. The case was urgent. These natives were without homes, without food, and without means of obtaining either; food and shelter for the very next day, and then for the days after that, must be found. Delay meant starvation and death. In the absence of all native authority, with the knowledge and approval of Mr. Conger and other Ambassadors, two colonies were established in different parts of Peking, in courts abandoned by their owners, and were supported from the resources that were found in those courts; just as the Ambassadors and all the rest in the siege had been kept alive by what they found within their reach from the British Legation.

All that was done by Dr. Ament and Mr. Tewksbury, in occupying these two courts and in supplying the immediate, pressing necessities of the refugees under their care, was done by the advice and with the full knowledge of Mr. Conger, to whom the perplexing questions were referred for counsel; and their associates have unanimously recorded their deliberate approval of what they did. Mr. Tewksbury says of the supplies used for the refugees immediately after the siege, wherever obtained:

> "All this we either paid for on the spot or left I. O. U.'s with the parties in possession, which same we have in every case paid when presented by the proper parties."

As to the charge of looting by missionaries, we have, besides their own denials, the explicit testimony of one wholly outside their number, whose position gave him exceptional facilities for knowing the facts. Mr. R. E. Bredon, Deputy Inspector-General of the Imperial Maritime Customs of China, who was in Peking throughout the siege and remained for some time afterward, wrote on October 3d to the *North China Daily Mail:*

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"I heard in the Legation, before we were enabled to leave it, that the missionaries had taken quantities of loot. I took special pains as a committeeman to investigate the truth of this assertion, and I found absolutely nothing to confirm it."

The alternative, if these gentlemen had not undertaken to care for these refugees as they did, should be considered. The refugees were more than five hundred in number; they had gone through the siege of Peking and had given such effective aid in the defence that Mr. Conger, in writing to the missionaries four days after the siege was raised, said:

"But for your intelligent and successful planning and the uncomplaining execution of the Chinese, I believe our salvation would have been impossible."

When the Empress fled to Shensi, a thousand miles away, and the court followed her, all Chinese authority in Peking ceased, and the Allies policed the captured and ruined city. They declared that they could not provide for these native refugees. There was no one else to whom these hapless ones could look for help, but their missionary friends and leaders. If these failed, then they must be turned into the streets of Peking, or into the lawless and ravaged districts outside, to starve, or to perish by the sword. The Boxers and those who acted with the Boxers had robbed them of all they possessed, had destroyed their homes, had driven them into exile, had slain hundreds and thousands of their associates in cold blood. What should the missionaries have done? Every sentiment of gratitude for help rendered in times of deadly peril, of sympathy with homeless, defenceless, persecuted and trusting men and women, demanded that they find for the refugees shelter and food and clothing, as far as it was in their power. And that is precisely what they did. Had they taken care of themselves and left these to perish, their names would have been branded with infamy throughout the civilized world. And when, at Mr. Conger's suggestion and with the approval of the other Ambassadors, Dr. Ament and Mr. Tewksbury took their native protégés to abandoned courts of Boxers or Boxer sympathizers, and sustained them by what they found there, they did the only sensible thing that could be done. Let their critics tell us what else they should have done.

In a letter of November 18th, which was given at once to the public, Dr. Ament says that he "seized the palace of a petty prince," who had harbored the Boxers for many weeks, and sat

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as judge on the execution of the native converts in that part of the city. This has seemed to some to indicate violence, disregard of law and practical robbery. But Dr. Ament had no soldiers to aid him; his refugees were unarmed men, women and children; the owner of the courts had fled, and there was no one to oppose him. He did what Mr. Conger advised; he took possession for the time, and used what he found for the temporary relief of himself and his dependents, who had no other shelter or resource. The *seizure* was the occupancy of these quarters without violence, without opposition, upon the warrant of an imperative necessity and of Mr. Conger's word. And the question is still a pressing one—What else should he have done?

But, of course, these arrangements could not last very long. Some other provision must be made, something that should look toward a more permanent settlement. The Allied Powers decided that they could do nothing for these Christian Chinese. The Chinese government, as has been said already, did not exist as a force to which an appeal could be made in Peking or in any region round about. And so, what was done had to be done without reference to the Chinese government on the one side, or the direct action of the Allied Powers on the other. In this absence of wonted authority, much was left to individual initiative; things necessary to be done have been done as they could be, not in the usual way. In the ordinary course of things, it belonged, doubtless, to the Chinese government to see to the reinstatement of the refugees who were on the hands of the missionaries: but that government had ceased to act, and only resumed action when Li Hung Chang assumed authority. The securing of such relief might well have come from the American Legation; but, in the confused and uncertain conditions following the siege, it was deemed inexpedient for the Legation to attempt it.

It was under these circumstances that Messrs. Ament and Tewksbury struck out the plan, which they have followed with such remarkable success, of securing indemnity for the Chinese who had suffered losses, from the very villages where these losses had been incurred. In this course, they have had the open and public approval of Mr. Conger and other authorities, and have followed a well-known Chinese usage. With great energy and good sense and patience, which have won the commendation of the Ambassadors in Peking, of the Chinese Commissioners of

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Peace, Li Hung Chang and Prince Ching, and of the native authorities themselves in the several villages where they have gone, these gentlemen have secured the indemnity that was justly due, *not for themselves, not for the mission,* let it be clearly understood, but wholly and solely *for the Chinese who were dependent upon them.* Those who had robbed and dispossessed these people were the very ones to whom appeal was made by the missionary, not with military force to back him, but with his own personal influence and the justice of the case to sustain his plea that they make good the loss which they had inflicted, and provide for those whom they had made outcasts. The good sense of the head men of these Chinese villages acknowledged the justice of the claim, and most of these exiled Chinese are reinstated in their villages. New homes are promised them and support until they can provide for it. Money was brought in such amounts as to constitute a fund for the support of widows and orphans, and for the re-establishment of churches that had been destroyed. According to immemorial custom in China, these villages, through their head men, are responsible for the gross indignities and losses inflicted on innocent men and women within their walls. They knew these people had been wronged, and that the village ought to repair the wrong. The head men acted for the village, used the common property of the village to reimburse the losses, and assumed the duty of meting out justice to the individual offenders. It is the testimony of Dr. Ament and Mr. Tewksbury that the people where these settlements have been made are pleased with the result, and that the outlook for missionary work has not been destroyed, as some reports would seem to imply, but is better in some respects than it ever was before.

Mr. Tewksbury presents in some detail the conditions on which restitution was made by the villages. He says:

"The four articles following are practically the basis on which our settlements have been made. At a meeting of various denominational missions at Peking they were approved for substance. Indemnity for Chinese only:

"1. Cemetery and suitable burial for adherents murdered.

"2. Pensions for the aged, for widows and orphans, and for others left by the Boxer outrages without adequate support or helpers.

"3. Money compensation for property destroyed was reckoned, in general, about one-third above the value of the property, which may be called a *primitive* indemnity. We asked no indemnity for life except where there were individuals left without support. All money to be in

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care of the church, and no payment to be made to individual Christians until claims for indemnity have been audited by committee of foreigners and natives appointed by the church. Any balance after all claims are paid to be used as designated by the church.

"4. If desired by us, in any village where disturbances have occurred, a suitable location shall be provided for a Christian chapel."

Mr. Tewksbury further writes:

"Li Hung Chang, in instructions lately issued, as governor of the province, not only makes it the duty of his officials to pay indemnity, but also takes it for granted that the murderer shall be arrested. When collected this indemnity must be handel to the church people in open court, that all may know that justice has been done."

In regard to these settlements, if we ask who are the injured persons, the answer is plain. They are those who were robbed and whose homes were destroyed. If we ask who were guilty, the answer is equally clear: The Boxers who robbed and burned and slew without restraint, *and the towns that harbored them and shared in their crimes.* And if we inquire further what was due these outraged and exiled men, the answer is obvious: Reinstatement in their towns, the rebuilding of their homes, reimbursement for their losses, support for widows and orphans whose natural supporters had been slain, and security for the future. And this is what *was* secured for them, and it is *all* that was secured. This is not looting or robbery; but the restitution of stolen goods; it is not extortion, but justice, as much so in China as in America; the money in the hands of the guilty villagers *was* "tainted money," till it was paid back to those from whom it had been stolen; then it became honest money once more.

Who approved of these settlements? Mr. Conger, the United States Minister; Mr. Rockhill, the special United States Commissioner, who declares *"the arrangements satisfactory and fair, both to Chinese and foreigners";* Li Hung Chang, the governor of the province, whose lieutenant *"decided the amounts and method of settling";* the officials of the several villages where such settlements were made, many of whom came voluntarily and made the required restitution. Who complains of these settlements? So far as heard from, not one of the parties most affected, not one of the correspondents who have visited the missionaries and learned what they have done; no one else who is fully acquainted with the facts of the case.

Why was one-third additional to the actual damages included in the settlement? It was a part of the restitution which the villages owed to those of their own citizens who had suffered outrage

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and exile, as well as the loss of property, at their hands or by their fault. The property destroyed in such cases never covers all the loss. The misionaries are the only source of information on this point, and they have not said enough about this feature of the case to make it altogether plain. Dr. Ament speaks of the "one-third" as used in supporting widows and orphans, those whose natural wage-earners had been murdered by the Boxers and their accomplices in these villages. Mr. Tewksbury speaks of it as the proper measure of money compensation for property destroyed. This additional one-third was an integral part of the settlement, agreed upon and accepted by the village officials without a murmur, approved by Li Hung Chang and by his lieutenant. No one in China appears to have raised a question about it. It is difficult to see why any one else should be disturbed about it.

The alternative to what has thus been so wisely, courageously and successfully done, must always be borne in mind. These hundreds of Chinese who had done no harm but had suffered grievous wrongs, who had wrought with the marines and the missionaries and the Legations for their mutual defence in Peking, would have been left to the tender mercies of Boxers and robbers or to perish of starvation. The good sense of all who see and understand these things will at once affirm that these missionaries did a justifiable and wise and worthy deed. No man has suffered wrong at their hands, but a great wrong has been righted, and has been righted in accordance with native customs, and with the approval of every authority that could be consulted. If any one can suggest a better, more effective, a simpler way in which to deal with a problem of this kind, let the suggestion be made. We have seen as yet, from among those who so freely criticise these things, not the slightest intimation of any other practical way of dealing with this emergency.

These points, therefore, seem clear:

1. The efforts of the missionaries have saved the lives of hundreds of the Chinese refugees, who with them went through the siege of Peking and helped to save the Legations, and thus placed the Allied Powers in their debt.

2. The utterly abnormal conditions which have prevailed since the siege have demanded exceptional treatment, and in dealing with them the missionaries have shown great caution, courage and wisdom.

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3. The indemnities secured were wholly for the Chinese whom the Boxers had robbed and outraged; not a penny has been asked or used for missionary losses of any kind.

4. The "amounts and method of settling" these indemnities, the additional third as well as the rest, were decided by the deputy of Li Hung Chang, the governor of the province; they are declared "satisfactory and fair both to Chinese and foreigners" by Mr. Rockhill; and they were acceptable to the village officials.

In extraordinary and abnormal conditions, these men have carried through a necessary, but delicate and perplexing, undertaking, in a large-hearted, high-minded way, which has enhanced their personal reputation and reflected fresh credit on the missionary name. They have had the approval of their missionary associates; they have consulted all existing authorities and have had the approval of all. They have pursued a wise and far-seeing course, in saving a remnant out of the wrecks of the Christian communities which the Boxers left behind them, to be the nucleus of new churches and schools, and of a nobler enterprise when peace is restored. The friends of missions, the advocates of good order and just government in China, sane-minded and generous-hearted men everywhere, will not hesitate to pay them the tribute of praise and admiration for what they have done.

It is not a light thing to speak evil of these men without the amplest reason. They belong to that group of missionaries, of whom three at Paoting-fu and ten in Shansi met a martyr's death. Their repute is as high, their record is as clear, as were those of that martyr host. We grant that nothing can excuse evil deeds in a missionary; but we also insist that nothing can excuse the traducing of an honest man's good name. It is true of the missionaries, as of any others, that every man is to be adjudged innocent until he is proved guilty. No such proof in this case has yet been furnished. The more we hear from them, the closer we investigate, the clearer is their course, the nobler seem their deeds. Their vindication, if not already complete, is sure to come. Of each of them it may be said:

> "He knew to bide his time,
> And can his fame abide,
> Still patient in his simple faith sublime,
> Till the wise years decide."

JUDSON SMITH.

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THE VICTORIAN ERA OF BRITISH EXPANSION: II. THE COLONIES AND INDIA.

BY ALLEYNE IRELAND.

WITH its ever-changing boundaries, the British Empire is by no means an easy subject for precise statistical treatment. Many territories, such as Tangier, Java, and Heligoland, have been acquired only to be relinquished. On the other hand, new possessions are continually being added to the Empire, and the boundaries of the older dependencies are at times extended, either by the further absorption of territory, as in the case of South Africa, or by the spread of population in countries, like Australia, where at first mere coast settlements existed. Again, as in India, and, more recently, in West Africa, areas under the control of chartered companies are taken over by the Crown; and, finally, we have to consider the uncertain field of protectorates. As a matter of classification, some of these protectorates may properly be considered as parts of the British Empire; others cannot be so regarded. For instance, in Africa the Bechuanaland Protectorate and the Territories of the British South Africa Company and of the British Imperial East Africa Company are, for all practical purposes, British possessions in the same sense as are Cape Colony and Natal; but Egypt, which is in fact, if not in name, a British protectorate, is never referred to as part of the Empire; whilst Zanzibar, though still an independent kingdom, has a British prime minister and a British consul-general who really control the government.

In the following pages I propose to adopt, for the sake of uniformity, the classification of the British "Colonial Office List," as far as dependencies outside the Indian Empire are concerned.

When Queen Victoria came to the throne in 1837, the territory subject to her authority, excluding protectorates and the

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provinces of the East India Company, was distributed as follows:

BRITISH COLONIAL EMPIRE IN 1837.

	Square miles.	Population.
In Europe	120	127,000
In Asia	26,430	1,110,000
In Africa*	200,800	1,600,000
In North America	3,800,000	1,400,000
In South America	124,000	110,000
In West Indies	12,000	700,000
In Australasia†	2,972,000	180,000
Total	7,135,350	5,227,000

A general view of the present condition of the British Colonies and India may be gained from the following table, the corresponding figures for the United States being given as a standard of comparison:—

BRITISH COLONIAL EMPIRE IN 1900.
(The pound sterling is the unit in the money columns.)

Dependencies in—	Area in sq. miles.	Population. Census 1891.	Public expenditure, 1899.	Value imports plus exports, 1899.	Tonnage of shipping entered and cleared, 1899.
		In thousands			
India‡	964,993	221,000	97,465	213,348	9
Asia	123,981	4,666	3,666	70,851	3
Africa§	2,514,896	4,337	9,500	57,368	1
Australasia	3,174,641	3,973	31,900	162,288	2
North America	3,814,000	5,000	9,073	69,337	1
S. and Cent. America	123,000	310	592	3,933	1
West Indies	12,000	1,352	1,970	12,971	9
Europe‖	3,702	406	518	No returns.	15,916
Total	10,731,213	241,044	154,684	590,096	120,899
United States¶	3,616,484	65,000	140,000	384,834	44,177

From 1837 up to the present time, the chief additions to the territory of the British Empire have been, in Asia, 1839, Aden by conquest; 1842, Hongkong, by conquest and cession; 1846, Labuan, by cession; 1857, Perim, by conquest; 1858, the government of India passed to the Crown; 1874-1888, protectorate established over the Malay States; 1886, Upper Burmah, by conquest; 1888, protectorate established over Sarawak and British North Borneo: in Africa, 1868, Basutoland, annexed at request of the natives, who wished to be protected against the armed in-

* Exclusive of the West African colonies, which had no defined boundaries and were merely small coast settlements; but including Mauritius, the Seychelles and St. Helena.

† This includes the whole of the Australian continent; for, although the occupied area on the continent has increased, the political sphere remains the same.

‡ Exclusive of the Native States under British protection, which have an area of 595,167 square miles and a population of 31,865,992.

§ Exclusive of Egypt, the Orange River Colony, and the Transvaal.

‖ Including Cyprus, which is only provisionally under British control by the terms of a convention with Turkey signed in 1878.

¶ The area and population of the United States are taken as for 1891, so that the figures may refer to the same period as the Colonial censuses of that year, the latest in which a Colonial census has been taken.

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cursions of the Boers; 1885-1896, protectorate established over the territories of the British South Africa Company, the British Imperial East Africa Company, and over British Central Africa; 1900, the territories of the Niger Company taken over by the Crown; 1901, the Transvaal, sovereignty, which had been conditionally relinquished in 1881, resumed by the Crown; Orange River Colony, by conquest: in Australasia, 1840, New Zealand, by cession; 1874, Fiji, by cession; 1888, British New Guinea, annexed peaceably.

As I pointed out in the first part of this article, the imperialistic idea in England is of recent growth, certainly not older than the eighties. It is, however, a matter of great importance that we should observe the development of British Colonial policy during the reign of Victoria, as apart from the imperialistic sentiment; and we shall note a very interesting circumstance—namely, that, although until within recent years the Colonies were looked upon as so many burdens, and notwithstanding a general feeling, as late as 1886, that the more important Colonies were soon to become independent, successive governments have, without any hope of appealing to the admiration of the electors or even of arousing their interest, persistently improved the government of the Colonies, in one direction by Civil Service reform, and in another by the granting of representative institutions and responsible self-government wherever the conditions would permit.

Nor does this appear less remarkable if we reflect that, of some forty Secretaries who have administered the affairs of the British Colonial Empire during the past century, the greater number have taken no interest whatever in the ultimate destiny of the dependencies under their care, and that many of them entered the Colonial Office absolutely ignorant of colonial questions, and left it in much the same condition of mind. It becomes, then, a matter of some interest to inquire into the causes of the continual efforts of the Colonial Office to improve the government of the British Colonies, and to seek some broad principle which may account for the gradual enlightenment of British Colonial policy during Victoria's reign.

Unfortunately, in setting out to pursue this line of thought, we find ourselves on highly speculative ground. It is by no means a difficult task to describe the political condition of England under Elizabeth; to portray the abnormal license of the

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Court under the Stuarts, and the equally abnormal severity of the Cromwellian period; to moralize about the intolerable corruption of Parliament at the time of Walpole; and to contrast with all this the integrity of public life in England to-day, the honesty of elections, and the remarkable purity of the Court under Victoria. But changes in national life and character, though easily described, are extremely difficult to account for, not because the student finds any lack of sufficient causes, but because many of these causes would not have become operative but for other circumstances purely accidental in their nature.

Of course, a philosophy of history cannot be based on a consideration of what would have happened if something which did happen had not happened; but it is very necessary to realize that the moment of great national changes is often determined by the occurrence of comparatively unimportant events. Holding this limitation strictly in view, an interdependence may be suggested between Colonial reform and internal reform in England.

The corruption in public life in England during the eighteenth century was unequalled during any period in English history; and its very excess insured the change which was observable in the early years of the nineteenth century. It is not difficult to account for this corruption, or for the growth of a public sentiment which demanded a higher standard of official integrity for British statesmen. The eighteenth century was for England a century of war. Between 1702 and 1815 England was fighting, at one time or another, France, Spain, Holland, the American Colonies, and the United States. Taken together, these wars filled about sixty years. But, in addition to being a century of war, the eighteenth century was, until near its close, a period of general prosperity. The revolution of 1688 roughly marked the commencement of a hundred years of steady growth in English industry and commerce. In almost every discussion of the poor rates during that period, there was one point on which every one was agreed—that, if an able-bodied man needed relief, it was because he was lazy, and not because there was no work to be had.

Now, if we disregard the questions, how far the wars produced the good times—and there were circumstances in the eighteenth century wars which greatly favored British commerce—and to what extent the good times were responsible for the ready voting of war supplies, and thus indirectly for the wars themselves, we

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cannot fail to see that the coincidence of these two conditions of war and prosperity exerted a most pernicious influence on the character of British statesmanship.

In time of war, the mass of people, however evil may be the political conditions of the day, demand victories above all else; reform may wait. But if a faint cry for reform should be raised, it is always met on the part of those in power by the same argument: "First let us deal with our enemies, then all the reform you please." So the day passes; and, when the victories come, reform is staved off by an argument as false and ridiculous as the "under-dog" argument, and as deeply rooted in human nature. "How ungrateful," it is said, "to inquire so scrupulously into the conduct of a ministry which piloted the ship of state triumphantly through the storms of a foreign war!" So the moment passes again. And when, in addition to vanquished foes and new possessions, the party in power can point to a condition of prosperity amongst all classes, the public mind easily accepts the idea that administrative affairs cannot really be in such a bad state, after all, and that it is best to let well alone.

During the greater part of the eighteenth century all the conditions existed which made corruption at once easy and safe; but towards the end of the century, when, as Lord Macaulay has said, "anything short of direct embezzlement of the public money was considered as quite fair in public men," conditions began to change. A succession of bad crops caused a flow of population to the towns; but there machinery, which had at first merely swelled the output of woollen and cotton cloth, had already begun to liberate a large number of hands for other work, with the result that, in every part of the country, the number of unemployed rapidly increased. Between 1750 and 1818 the charge for poor relief in England increased from £619,000 to £8,000,000. A large part of the population became discontented, ricks were burned, machinery was destroyed by rioters, and the people began to ask whether, having attributed the good times to the government, they were not justified in tracing the evil times upon which they had fallen to the same source.

Whilst machinery was revolutionizing the industry of the country and depriving the ministers of the "full dinner-pail" argument, changes were taking place in other directions. With the fall of Napoleon in 1815, England entered on the longest period

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of peace which it had been her lot to enjoy since the Norman conquest. She entered it with a disturbed spirit. Conquests there had been in plenty. France had been beaten by sea and by land; India and Canada were saved. But the American Colonies had revolted and achieved their independence, the United States had declared war against England in 1812, and had not been beaten, whilst at home the greatest distress prevailed amongst the laboring classes. No longer concerned in watching Europe, the people of England now turned their attention to home affairs, with the result that within a period of forty years the political system of the country was reorganized and its commercial policy entirely changed. But it happened that during the period when the reform movement in England was gradually changing the type of English statesmanship and elevating the moral tone of public life, the government was continually confronted with Colonial problems, the discussion of which naturally followed the line of the prevailing political and economic doctrine.

The period between 1776, the year of the American Declaration of Independence and of the publication of Adam Smith's "Wealth of Nations," and 1839, the year of the Durham Report, which formulated an enlightened system of Colonial rule, was filled with events in the field of home and Colonial affairs which reacted one upon another in such a way as to give the great political and economic issues of the time a stage as broad as the British Empire, and to make every Briton in the remotest Colony vitally interested in the outcome. On the one hand, we see the revolt of the American Colonies, followed by the trial of Warren Hastings, in 1778, by the American War of 1812, by the Abolition of Slavery in 1834, and by the Canadian Rebellion of 1837; and, on the other hand, as if to supply the wisdom which these events showed to be lacking in the councils of the nation, we find that Adam Smith is but the leader of that group of writers which included Malthus, Ricardo, Bentham and James Mill.

We come now to the years immediately preceding and following Victoria's accession; and, if I have devoted a good deal of time to the discussion of affairs which do not fall strictly within the limits of my title, it is because I wished to emphasize the fact that the Queen's accession marked the commencement of a new epoch, as well as the beginning of a new reign.

In 1826, a Select Committee of the House of Commons was

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appointed to inquire into the expediency of encouraging emigration from the United Kingdom. This committee reported that the redundancy of population in the United Kingdom had reduced part of the people to a great degree of destitution and misery; that it had also had the effect of deteriorating the general condition of the laboring classes; and that the industry and safety of the British Colonies would be materially encouraged and preserved by the reception of this surplus population. It is interesting to note that the committee closes its statement of the facts by saying that "the national wealth will be increased by the change, *if the Colonies are to be considered as integral parts of the nation at large.*" The outcome of this and of subsequent inquiries was that Commissioners of Emigration were appointed by the government, and serious attention was directed to the development of the Colonies by means of the surplus population of the United Kingdom. The Emigration Commissioners published reports relating to the progress of emigration, and pamphlets in which the conditions of the various Colonies were described, and the prospects of successful emigration were discussed. The following table shows the influence of the systematic work of the Emigration Commissioners:

EMIGRATION FROM THE UNITED KINGDOM TO THE BRITISH COLONIES.

	To the North American Colonies.	To the Australasian Colonies.
1825	8,741	485
1830	30,574	1,242
1840	32,293	15,850

The number of emigrants fluctuated from year to year in sympathy with the general conditions at home and in the Colonies. Thus, the Irish famine of 1847 sent 109,680 people to the North American Colonies, though the average number during the previous four years had been only 30,000; and the discovery of gold in Australia increased the emigration to those colonies from 16,037 in 1850 to 87,881 in 1852. During the first half of the nineteenth century more than a million emigrants left England for the British Colonies in America and Australasia; and it is during these early years of emigration to the Colonies that we find the first attempt in England towards the formulation of a scientific theory of colonization.

The name most intimately associated with this movement is that of Edward Gibbon Wakefield. He was born in 1796, and his early training and education fell, therefore, in the time when

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the distressed condition of the laboring population called most loudly for remedial measures

Through the influence of Wakefield, the National Colonization Society was founded in 1830, with the object of drawing the attention of the Government to the need of Colonial reform and of inducing the Colonial Office to apply the principles embodied in the Wakefield system. The opinions and theories known to students as the Wakefield system may be briefly summarized. Starting from the axiom that new countries cannot be developed without a labor supply, Wakefield proceeded to inquire into the causes which limited the labor supply in the British non-tropical Colonies. A large number of emigrants went out each year, and still the Colonies made very little progress. The reason was not far to seek. Under the system then in vogue of giving free grants of land to all indiscriminately, the government removed at once the only motive which would cause a laborer to hire out his service. As soon as they landed in a Colony, the newcomers, irrespective of their previous condition of life, proceeded to occupy land, so that the capitalist found himself with land and no labor, and the laborer was equally unfortunate in the possession of land without capital. Thus things were at a standstill; the labor was there, but it would not hire itself to the capital; the capital was there, but it could not find employment. Wakefield proposed to remedy this state of things by stopping all free grants of land, by exacting a cash payment for every acre alienated from the Crown, and by a tax on the actual rent of all land owned by private individuals. The money thus accumulated should be used as a fund for the conveyance of British laborers to the Colonies free of cost.

In 1836 a Select Committee of the House of Commons inquired into the whole question of Crown Lands in the Colonies, and Wakefield was the most important witness, his examination lasting four days, and covering replies to 562 questions put by members of the Committee. The Report of the Committee amounted to a recommendation that the Wakefield system should be adopted in the Colonies, and legislation followed, from time to time, giving effect if not to all the details, at least to the general principles advocated by Wakefield.

The Crown Lands question, though of great importance, was soon overshadowed by a much broader issue—in which again we

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find Wakefield a strong, though, on this occasion, a silent power —the question of what was to be the form of government in the British non-tropical Colonies. The answer to this question was determined by the Canadian Rebellion of 1837, and by Lord Durham's Report on Canadian affairs. Of this report it has been said: "Wakefield thought it, Buller wrote it, Durham signed it." However that may be, the report is one of the most important of the many valuable and interesting documents which have been called into existence by England's Colonial difficulties. From the presentation of this report, we may date the acceptance by England of the principle of responsible self-government for all British Colonies in which white men can live and thrive.

I cannot better set forth the wise statesmanship of the Report than by quoting the words used by its author:

"It is not by weakening but by strengthening the influence of the people on its Government; by confining within much narrower bounds than those hitherto allotted to it, and not by extending the interference of the Imperial authorities in the details of colonial affairs, that I believe that harmony is to be restored. . . . . I know not in what respect it can be desirable that we should interfere in their internal legislation, in matters which do not affect their relations with the mother country. . . . . The colonists may not always know what laws are best for them, or which of their countrymen are the fittest for conducting their affairs; but at least they have a greater interest in coming to a right judgment on these points, and will take greater pains to do so, than those whose welfare is very remotely and slightly affected by the good or bad legislation of these portions of the Empire. If the colonists make bad laws, and select improper persons to conduct their affairs, they will generally be the only, and always the greatest, sufferers; and, like the people of other countries, they must bear the ills which they bring on themselves, until they choose to apply the remedy. . . . . With respect to every one of those plans which propose to make the English minority an electoral majority, by means of new and strange modes of voting or unfair divisions of the country, I shall only say that, if the Canadians are to be deprived of representative government, it would be better to do it in a straightforward way than to attempt to establish a permanent system of government on the basis of what all mankind would regard as mere electoral frauds. It is not in North America that men can be cheated by an unreal semblance of representative government, or persuaded that they are out-voted, when, in fact, they are disfranchised."

Space will not permit an extended examination of the Durham Report. The extracts quoted above are sufficient to give us a true apprehension of the noble spirit of liberty and equality which animates the whole document.

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The liberal theories advanced by Lord Durham were accepted by the British people; and from time to time self-government, on the basis of wide parliamentary representation, a responsible ministry, and entire freedom of internal legislation, was granted to the larger Colonies. The progress of this movement may be observed by reference to the following table:

GRANT OF RESPONSIBLE GOVERNMENT, THAT IS THE CONDUCT OF THE EXECUTIVE GOVERNMENT BY THE ADVICE OF MINISTERS RESPONSIBLE TO THE LOCAL PARLIAMENT.

1841. Colony of Canada.	1856. New Zealand.
1848. Nova Scotia.	1859. Queensland.
1848. New Brunswick.	1867. Dominion of Canada.
1854. Victoria.	1872. Cape of Good Hope.
1854. New South Wales.	1890. Western Australia.
1855. South Australia.	1893. Natal.
1855. Tasmania.	1900. Commonwealth of Australia.
1855. Newfoundland.	

There remain two important subjects relating to Colonial reform, which for their adequate presentation require far more space than is at my disposal, the commercial policy of England towards her Colonies, and Colonial Civil Service reform.

The entire freedom of the British Colonies to decide on their own trade policy, even if it should take the form of an import duty on British goods, is the result of the triumph of free trade in England. The move in the direction of free trade may be said to have commenced in 1820, when, as a result of petitions from the merchants of London and Edinburgh, a Select Committee of the House of Commons considered "the means of maintaining and improving the foreign trade of the country.," and reported:

> "That the means of attaining the object to which their consideration has been directed by order of the House, consisted less in affording additional legislative protection or encouragement to the commerce of the United Kingdom with foreign states, than in relieving it from a variety of restrictions which the policy of a former period imposed on it; and which, whether expedient or otherwise at the time when they were enacted, having ceased to be necessary for the purposes which originally recommended them, tend to embarrass its operations, and impede its extension and prosperity."

The fight for free trade was, considering the tremendous changes involved in its adoption, shorter than might have been expected, occupying just thirty years. In 1820 some fifteen hundred Acts of Parliament were in force regulating the commerce of the British Empire; but gradually barrier after barrier was removed, and with the repeal of the Navigation Laws and of the

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Corn Laws, in 1849, England may be said to have definitely entered the era of free trade.

The grant of authority to determine for themselves the commercial policy best suited to their circumstances has not been confined to the great self-governing Colonies; even in the small tropical Colonies which enjoy some degree of representative government the tariff is fixed by the popular branch of the Legislature.

The subject of Civil Service reform in the Colonies is more intimately connected with the history of British administration in India than with the history of the other parts of the Empire, for since the grant of responsible government to the great non-tropical Colonies the Civil Service of those countries has been in the hands of the local legislatures, and in the tropical Colonies, excepting only Ceylon and the Possessions in Further India, the Civil Service, though of a very high standard, is not completely organized on any uniform plan of recruiting. Until 1858 the Administration of India was in the hands of the East India Company, though controlled to a considerable extent from 1813 onward by the Imperial Parliament. The English East India Company, which was incorporated on the last day of the sixteenth century, passed through three stages of existence and to these stages corresponded three methods of selecting the officials of the Company. In the first stage, which lasted roughly for a hundred and fifty years, the Company was a commercial corporation enjoying the monopoly of the Eastern trade, and its territorial possessions in the East were bounded by the walls of the factories. As was natural, the servants of the Company were, during this period, selected merely for their efficiency as commercial agents. The second stage, which covered the period from 1750 to 1813, was one of territorial acquisition; and the Company, in addition to the business of trade, was called on to wage wars by sea and land, and to negotiate treaties with the Native Princes of India. During this period a keen competition arose in England for positions under the Company; and as mere clerks were now no longer capable of conducting the complicated affairs of the Indian territories, appointments were given to men of a different stamp. At first, the new quasi-diplomatic posts were conferred on a basis of mere favoritism, in some instances with the object of providing for needy relatives, in others in order to oblige some

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person high in authority in England, who, as occasion offered, might be expected to give a *quid pro quo*. The sale of appointments became one of the perquisites of the directors of the Company, and gross abuses were brought to light, a Select Committee of the House of Commons sitting as late as 1809 to inquire into the corrupt practices in this direction.

In 1813, the company entered the third and last stage of its career. The Indian monopoly was abolished and all that was left to the company was its administrative functions. With this change, the need of the man of commerce vanished and the call was for trained civil servants. The reform which these changes made imperative had already begun. In 1802, the Marquis Wellesley, at that time Governor-General of India, had issued a Minute drawing attention to the necessity for special training for the Company's servants, and had proposed the erection of a college for that purpose in India. He even went so far as to establish such an institution; but the directors of the Company abandoned the scheme. But out of the suggestions of the Marquis of Wellesley came the action of the East India Company in founding, in 1806, the college for the training of East Indian officials at Haileybury, near London. Here was first introduced the principle of appointment by competitive examination. The pupils were instructed in all those subjects which go to make up a liberal education, and in addition were taught the languages and the laws of the East.

With the demise of the company in 1857, the college at Haileybury was abandoned as a training school for East Indian officials, and the new order of things, open competitive examinations, was thereafter established. The whole subject of Indian Civil Service was inquired into in 1854 by a Commission of which Lord Macaulay was Chairman, and Benjamin Jowett a member. The Report of this Commission laid down elaborate rules for the selection and appointment of Indian officials; and, in the main, the principles there advocated are still followed to-day. The system of Civil Service throughout the British Empire has of course developed and grown as the Empire has expanded. The cardinal principles of that service appear to be these—that any man capable of passing the required examinations, who is of a respectable character, may be appointed, that no man thus appointed may be dismissed except for just cause shown, that no

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man shall be permitted to remain in the service after he has shown himself unfit to retain his post, that a sufficient salary shall attach to each position, and that a pension shall follow long service.

I have gone very briefly over the two main fields of Colonial reform—the form of government and the nature of the Civil Service; and I must now turn to the physical expansion of the Empire.

BRITISH COLONIES AND INDIA. POPULATION.

	(in thousands.) 1850.	1871.	1881.	1891.
India	171,859	191,018	198,790	221,000
Asiatic Colonies	1,789	3,173	3,731	4,666
African Colonies	613	1,362	1,818	4,337
Australasian Colonies	466	1,924	2,869	3,973
North American Colonies	2,482	3,844	4,517	5,000
S. and Cent. Amer. Colonies.	127	219	279	310
West Indian Colonies	793	1,063	1,213	1,352
European Colonies	138	160	168	406
Total	178,267	202,763	213,385	241,044

I have not brought the figures relating to the population of the Colonies and India down later than 1891, the year of the last census; for, although estimates are available for last year, the figures would be liable to be considerably changed by the results of the census which is now being carried on. The increase in population between 1850 and 1891 is due to two causes—increase in the territory included under the different heads and natural growth of the population; but, as each group, with the exception of the American and West Indian Colonies, has received an increase of territory, little beyond the mere fact of growth can be ascertained from the above table. In Australasia alone has the increase of territory since 1850 been of very slight importance, about ninety-eight thousand square miles; and there we find a growth of population, almost entirely of European stock, from four hundred thousand to four millions. In other words, the single city of Melbourne contains more people to-day than did the whole of Australasia in 1860.

I pass now to the commerce of the British Colonies and India, dealing first with the value of the total imports and the proportion bought in each group of Colonies from the mother country. I may say that the percentages differ to a considerable extent from those given in my "Tropical Colonization," owing to the fact that the units, "British Colonies and India," as used in this article, do not include the European Colonies and Hongkong, and because the cost of freight and insurance is here included;

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but, although the percentages are higher, the trend of the trade is in the same direction, and the same arguments are deducible from these figures as from those given in my book:

BRITISH COLONIES AND INDIA. VALUE OF IMPORTS.
(in thousands of pounds sterling.)

	1850.	1870.	1890.	1899.
India	13,696	46,882	93,909	96,278
Per cent. from United Kingdom	55.52	64.75	67.57	65.43*
Asiatic Colonies	2,549	16,801	31,957	38,176
Per cent. from United Kingdom	24.88	27.52	18.84	14.93
African Colonies	1,742	4,043	16,218	29,210
Per cent. from United Kingdom	80.99	75.01	81.05	69.40
Australasian Colonies	4,379	28,880	68,270	72,640
Per cent. from United Kingdom	63.34	48.82	41.25	36.83
North American Colonies	6,482	17,205	26,672	35,136
Per cent. from United Kingdom	43.70	52.34	35.47	23.10
South and Central American Colonies	993	2,101	2,236	1,604
Per cent. from United Kingdom	64.55	53.68	59.12	54.80
West Indian Colonies	3,280	4,647	6,846	6,711
Per cent. from United Kingdom	55.48	44.50	45.58	40.55
Total†	33,121	120,559	246,108	279,755
Per cent. from United Kingdom	53.48	53.34	50.64	45.55

The foregoing table presents many points of interest. To take, first, the growth of the imports into the whole Colonial Empire and into each group, we find, roughly, that the value of imports increased, from 1850 to 1899, in the Australasian Colonies to 16½ times the earlier figure; in the African Colonies to 16 times; in the Asiatic Colonies to 15 times; in the Colonies and India to 8 1-3 times; in India to 7 times; in the North American Colonies to 5½ times; in the West Indian Colonies to 2 times, and in the South and Central American Colonies to 1 2-3 times. But we must remember that the trade of the African, Australasian and Asiatic Colonies was almost entirely undeveloped in 1850, and that the Canadian trade was very considerable in bulk. If we take the increase or decrease between 1890 and 1899 the groups are arranged very differently.

INCREASE OR DECREASE IN VALUE OF IMPORTS, 1890-1899.

African Colonies, increase of	80.10 per cent.
North American Colonies, increase of	31.72 " "
Asiatic Colonies, increase of	19.46 " "
The Colonies and India, increase of	13.67 " "
Australasian Colonies, increase of	6.40 " "
India, increase of	2.52 " "
West Indian Colonies, decrease of	2.00 " "
South and Central American Colonies, decrease of	28.26 " "

The only point that needs elucidation in the above table is the abnormal increase in the imports into the African Colonies. A certain portion of this increase, say 20 per cent. of it, should be allowed for the value of war material imported into the South African Colonies in 1899.

* Estimate, returns not complete.

† Exclusive of Hong Kong, Gibraltar, Malta and Cyprus. The imports from the United Kingdom are calculated on the basis of value at the port of arrival—that is, practically, with freight and insurance added.

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I pass now to a consideration of the origin of the imports of the Colonies and India. It will be seen that in every group, with the exception of India (and on an estimated figure we can hardly set India down as an exception), the percentage of imports from the United Kingdom has fallen off, indicating the establishment of the commercial independence of the British Colonies. The falling off in the percentage of imports from the United Kingdom has been greatest in Australasia and in the North American Colonies—from 63.34 per cent. to 36.83 per cent. in the former and from 43.70 per cent. to 23.10 per cent. in the latter.

It is interesting to observe that in both cases the United States and Germany are the countries which have secured the bulk of the trade which England has lost. The exact course of the change may be observed from the following figures:

	Imports into Australian Colonies.		Imports into Canada & Newfoundland.	
	1871.	1899.	1871.	1899.
From United States.....	£600,000	£5,216,000	£7,794,000	£19,507,000
From Germany*	.....	2,240,000	221,000	1,519,000
From United Kingdom....	12,066,000	26,758,000	10,900,000	8,012,000

In the following table the value of total exports from the Colonies and India and the proportion sent to the United Kingdom are exhibited:

BRITISH COLONIES AND INDIA—VALUE OF EXPORTS.
(In thousands of pounds sterling.)

	1850.	1870.	1890.	1899.
India	18,283	53,513	102,350	117,070
Per cent. to United Kingdom.....	39.07	51.94	32.83	†30.75
Asiatic Colonies	2,240	14,660	27,983	32,675
Per cent. to United Kingdom.....	65.62	35.40	24.77	26.98
African Colonies	1,701	4,401	13,115	28,158
Per cent. to United Kingdom.....	84.95	67.64	87.18	87.94
Australasian Colonies	4,648	28,421	65,184	89,648
Per cent. to United Kingdom.....	56.36	46.94	43.26	40.14
North American Colonies	5,044	16,662	21,288	34,201
Per cent. to United Kingdom.....	42.42	29.94	48.16	60.40
South and Central Am. Colonies.....	1,076	2,555	2,564	2,329
Per cent. to United Kingdom.....	90.05	57.41	48.43	54.83
West Indian Colonies.....	3,097	4,991	6,543	6,260
Per cent. to United Kingdom.....	81.91	75.09	30.41	26.15
‡Total.....	36,089	125,203	239,027	310,341
Per cent. to United Kingdom.....	50.77	47.53	39.18	41.61

Thus it appears that in the period 1850-1899, the value of exports increased in the Australasian colonies to 19 times the earlier figure; in the Asiatic colonies to 14½ times; in the African colonies to 14½ times; in the Colonies and India to 8 2-3 times; in the North American Colonies to 6¾ times; in India to 6½ times;

*Imports into Australian Colonies for 1871 too small to be noted in returns.
†Estimate; returns not complete.
‡Exclusive of Hong Kong, Gibraltar, Malta, and Cyprus.

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in the South and Central American colonies to $2\frac{1}{4}$ times, and in the West Indian Colonies to 2 times.

Again, rearranging the groups according to their growth of exports during the past decade, we get:

INCREASE OR DECREASE IN VALUE OF EXPORTS, 1890-1899.

African Colonies, increased by	115.00 %
North American Colonies, increased by	60.65 %
Australasian Colonies, increased by	37.53 %
The Colonies and India, increased by	29.83 %
Asiatic Colonies, increased by	16.77 %
India, increased by	14.38 %
West Indian Colonies, decreased by	4.32 %
South and Central American Colonies, decreased by	9.16 %

In regard to the direction of the colonial exports, it is to be observed that, as in the case of the imports, England secures a lesser proportion than she did fifty years ago. The groups showing the greatest falling off in the proportion of exports sent to the United Kingdom are the Asiatic colonies, which only send home 26.98 per cent. of their produce, where formerly they sent 65.62 per cent; the Australasian colonies, which now sell England 40.14 per cent. of their goods instead of 56.36 per cent.; the South and Central American colonies, whose percentage of exports has fallen from 90.05 to 54.83 per cent., and the West Indian Colonies, where the decrease is from 81.91 per cent. to 26.15 per cent.

The decrease in the proportion of exports from the Asiatic colonies to the United Kingdom is not caused by foreign competition for the products of those Colonies, but by a growth of trade between those Colonies and India. In the Australasian group, the United States and Germany are the countries which have taken over the trade represented by the falling off in the proportion of exports to England. This will be seen by the following table:

AUSTRALASIAN EXPORTS.

	1871.	1899.
To United States	£366,000	£3,061,000
Increase		736 %
To Germany (1885)	65,000	2,801,000
Increase		4,209 %
To United Kingdom	13,343,000	35,993,000
Increase		169 %

The most notable decrease, however, is in the West Indian group and in the South and Central American group. This decrease, from 81 per cent. to 26 per cent. in the former, and from 90 per cent. to 55 per cent. in the latter, represents the diversion of the sugar export to the United States, and the growth of the Jamaica fruit trade. Statistics are not available in the Colonial returns which would enable a comparison of the exports from the

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British West Indies and the British Colonies in Central and South America to the United States in 1850 and in 1899; but we may arrive at the facts by examining the growth of imports into the United States from these colonies.

IMPORTS INTO UNITED STATES.

	1850.	1899.
From British West Indies	$997,000	$14,300,000
From British Guiana and British Honduras	287,000	3,700,000

It is interesting to note that, whilst the value of the imports into the British North American Colonies from the United Kingdom decreased in proportion between 1850 and 1899 from 43.70 per cent. of the whole to 23.10 per cent. of the whole, the value of exports to the United Kingdom has increased in proportion during the same period from 42.42 per cent. to 60.40 per cent. of the total value of exports.

The last phase of expansion which comes within our view is the growth of shipping in the Colonies and India. The figures relating to this aspect of the subject are given below:

BRITISH COLONIES AND INDIA. SHIPPING.
Tonnage of Shipping Entered and Cleared, Exclusive of Coasting Trade.
(Thousands of tons.)

	1850.	1870.	1890.	1899.
India	1,403	4,009	7,684	9,115
Per cent. British	....	86.70	88.02	85.44
Asiatic Colonies	1,108	6,189	24,332	33,992
Per cent. British	....	69.62	73.91	67.22
African Colonies	683	1,609	6,169	13,178
Per cent. British	....	76.19	83.43	83.17
Australasian Colonies	1,088	4,240	15,683	23,289
Per cent. British	....	92.26	87.63	85.78
North American Colonies	3,334	6,425	11,269	15,064
Per cent. British	....	77.92	54.84	66.90
South & Cent. Am. Colonies.	276	503	1,088	1,182
Per cent. British	....	....	53.75	52.28
West Indian Colonies	729	1,533	7,531	9,155
Per cent. British	....	65.36	76.61	74.72
European Colonies	1,648	5,939	21,124	15,916
Per cent. British	....	41.82	82.48	70.69
Total	10,269	30,447	94,880	120,891
Per cent. British	....	70.50	77.56	74.75

There is little in the above table which calls for comment. The slight falling off in British shipping in the Asiatic colonies and India is due largely to German and Japanese competition. It is worthy of note that, with a diminishing proportion of the Colonial commerce, the United Kingdom should have more than maintained her proportion of the carrying trade of the Colonies. The most remarkable increase of shipping has been in the Asiatic Colonies and Australasia, the tonnage entered and cleared in the former group having expanded more than thirty-fold since 1850, and in the latter more than twenty-fold.

ALLEYNE IRELAND.

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MUNICIPAL GOVERNMENT IN THE UNITED STATES.

BY JOHN FORD.

AMERICAN citizens are not experts in municipal government. What they have accomplished in other fields abundantly excuses them for this shortcoming. Within little more than a century they have wrought out the mightiest work of history; they have realized the dreams of poets and philosophers of past ages by making national government by the people an enduring success. They will make a like success of municipal government, if a little time is given to them.

Three main causes have operated hitherto to prevent their achieving that success. These are: (1.) their engrossment in the task of establishing their National and State governments, in perfecting them in detail, and in defending them and the principles of their foundation from internal and external attack; (2.) their absorption in the work of conquering their wildernesses, and exploiting their agricultural, mineral and manufacturing resources; of upbuilding their multitudes of cities, their vast transportation systems, and establishing their manufacturing, commercial and financial supremacy; (3.) their inexperience, and lack of opportunity for experience, in the science and art of governing vast congested urban communities.

Any intelligent person will understand the importance of the first two of these causes, from the brief statement of them here given. The third, perhaps, should receive more amplified discussion.

The Federal Constitution was formed by men nearly all of whom were born, bred and educated under rural conditions. The new Republic consisted of thirteen colonies, strung along the Atlantic seaboard, whose population was very thinly and widely scattered, and engaged almost exclusively in agriculture, or its

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allied industries. Out of these conditions grew the governmental problems which they dealt with. Of necessity, therefore, the government established was designed to meet the needs of a rural, rather than of a congested urban, community. The State governments erected were modelled after the Federal government, and were without exception of as distinctively rural a type. Such was the school in which American citizens have been taught, such the only political experience they have been able to get, until practically within the last quarter of a century.

About the time when the Declaration of Independence was issued, an industrial revolution of world-wide extent set in. The era of invention, steam power, labor-saving machinery and the factory system commenced. It gave rise to one of the most remarkable social phenomena that the world ever saw, namely, the almost magically rapid rise and development of large cities. This change in the distribution of population was not especially noted in this country until within the past half century. Ever since, its progress has been more marked in America than anywhere else in the world. Thus was this, to them, entirely new and perplexing municipal problem forced upon the American people at a time when slavery, and the controversies and the war to which it gave rise, absorbed the whole attention and commanded the political activities of every person in the United States who was possessed of the ability either to think intelligently or to act effectively. While Europe has experienced a similarly swift growth of its urban populations, yet, for centuries, it has been dealing with city and town governments of magnitude and importance. It had, therefore, the experience which enabled it to handle, with more success than has attended our efforts, the serious problems presented by the sudden rise of large municipalities. Then, too, marvellous as it has been, the growth of European cities was slow compared to the rate at which American cities have increased from insignificant hamlets to cities counting their populations by hundreds of thousands, and even millions.

This phenomenon presented to the American people a wholly new and unexpected problem of government. Hitherto, their experience had been with governmental questions appertaining to social, industrial and political conditions peculiar to almost, or quite, purely rural communities. The entire population of the United States at its birth was not more than that of the present

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City of New York. When our State governments were formed, a city, as we understand the term, was unknown. These governments were intended to meet the needs of a sparse population. Naturally, when the great populous centres sprang into existence, they found the mantle of State government, which they were obliged to wear, a woeful misfit. The State Legislatures, controlled by members representing non-urban constituencies, still insisted on applying to urban communities the same laws which were applied to the rural villages and townships of the States. Only lately have some of the more progressive country legislators realized that a great urban centre, with its teeming population, its varied inter-dependent industrial and commercial interests, its complex and cosmopolitan social conditions, differs in its governmental needs from a rural county as widely as does that rural county from the desert land of the nomadic Arab.

Some concessions have been made by special legislation, and an extension of some privileges of local self-government has been granted to municipalities, when the demand for them has come so unanimously as to bode no good to the prospects of the dominant political party if it should be denied. But they have represented thus far crude and hap-hazard patch-work, instead of the liberal and scientific reforms of which American cities are sorely in need.

In a hundred directions municipal functions might be extended, for the vast improvement of the conditions of municipal life and the uplifting and betterment of urban populations. Hardly less rapid than the growth of the cities themselves have been the increase in the expenses of living in them and the advance in the rate of taxation, until the burden has become well nigh intolerable. Yet heavy taxes and a high cost of living are by no means necessarily incident to urban life. While the expenditures of government inevitably increase *pari passu* with the growth of a city, yet sources of municipal revenue multiply in like proportion. The trouble has been that our cities, while undertaking the great expenditures forced upon them by the necessities of their congested populations, have neglected to preserve for themselves and exploit for their own benefit the means of meeting the vast outlays annually called for. Public franchises of incalculable value have been given away to private individuals and corporations. Were the cities in the full enjoyment of the revenues derived from these

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sources alone, municipal tax rates would be cut nearly in two, and the whole population—for it is the rent-payer, not the landlord, who is the real taxpayer—would be proportionately benefited. Many other sources of revenue might be opened up, and utilized to defray at least a goodly part of the remaining portion of the burden of taxation, and to reduce the municipal tax rate nearly to the vanishing point, as indeed has already been accomplished in some European cities; while the cost, to the whole people, of the enjoyment of public utilities could be largely reduced.

While State governments should exclusively exercise all the fundamental sovereign powers, such as control of the election machinery, of the judiciary, of the militia and the like, yet charters of the larger cities ought to grant ample powers to enable them to repossess themselves, whenever and however their voters determine to do so, of the ownership and control of all public franchises and privileges improvidently given away in perpetuity. In the case of illuminating gas, the method of accomplishing this is simple. The municipality has only to cause the property of existing gas companies to be fairly appraised at the cost of reproduction, or on any other fair basis, and then to offer to take over the plants at the valuation of the appraisers. If the gas companies do not accept this offer within a reasonable time, let a municipal gas plant promptly go up, and the people will be released immediately from their thraldom to the private monopoly. Fear of such action would, undoubtedly, induce the gas companies to sell out on reasonable terms; for they well know that, with a municipal gas plant in the field, supplying its product to the public at or near the cost of production, they would be out of business. Or this same fear might prove to be sufficiently effective to extort from the private companies a contract to supply the residents of the city with gas at a price so low that no more than a fair return would be realized on the capital actually invested. As a rule, private gas companies now pay abnormal dividends, not merely upon the capitalized value of their property, which the city gave them, and which they have been using *gratis* for many years, but also upon immense volumes of stock representing nothing in the world but repeated watering.

A similar method of treatment might be applied to electric lighting and power companies, to telephone companies, to steam heating companies, and, generally, to any business resting on a

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grant of a public franchise, which business can conveniently be duplicated by the erection of a municipal plant.

In the case of street railroads, it is more difficult, although they possess by far the most important and valuable franchises of all. As practically all the available streets and avenues are already occupied by street-car tracks, of course it is impracticable, if not impossible, for the city to parallel the existing lines by other surface lines without destroying the utility of the public highways for the ordinary purposes of traffic. Nevertheless, there is a feasible way by which the immense franchise values of the street railroads may be repossessed by the communities, whose property they originally were and of right ought now to be.

The future mode of urban transit will be neither by surface nor by elevated, but by underground, railroads. The success of the Boston and London experiments with tunnel railroading makes certain the success of the projected tunnel railroad of New York, notwithstanding its inexcusable defects in plan, route, specifications and contract terms. The system will inevitably extend to other cities. The cost of construction will decrease with experience, while, as has been the case in London, the comfort, convenience and speed of this mode of travel will be increased correspondingly. Its many advantages over surface transit—such as the absence of danger to pedestrians and vehicles; the increased safety of trains moving rapidly; the convenience and economy of having all sub-surface pipes, wires and the like in galleries constructed at insignificent additional cost in connection with the main tunnel, where they can be easily reached for repairs, extension or renewal without tearing up the streets for that purpose; the impossibility of weather conditions interfering either with the convenience of passengers or the operation of the road; the freeing of the streets from street cars, their dangers, noise and annoyance, and the restoration of public highways to the use of vehicles and pedestrians—these and other similar considerations will result in the displacement of surface by underground transit in cities of any considerable size, and cause the owners of existing surface lines gladly to sell their properties to the public at cost, exclusive of the value of the franchise. While a city may not be able, practically, to lay competing tracks in its streets, it can parellel existing surface lines by tunnel roads; and it is a safe prediction that, within twenty years, surface rail-

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roads will be as nearly obsolete as the old-fashioned horse car has come to be. Thus may the blunders of our predecessors, who inconsiderately gave away these incalculably rich sources of municipal revenue, be rectified, and the people restored to their own again.

City charters should also permit the extension of municipal functions in many other directions, so soon as their voters have determined that it is financially profitable or the part of wisdom so to do. Among the enterprises that might be undertaken by our municipalities, to the vast benefit of the people, is the supplying of ice. Had New York City the power under its charter to establish a municipal ice plant, in connection with its admirable water supply system, a most intolerable extortion could be abolished once and for all, with the universal approbation of the entire community, except, of course, the holders of securities in the ice monopoly. Model tenement and lodging-houses could be established. Recreation piers and play grounds for the children of the poor could be multiplied. Public baths and gymnasiums, open the year round, would do wonders in promoting the health and comfort of the youth, in reducing crime and in producing better citizens. Industrial and technical schools might be put in operation, in which the boys and girls who are now obliged to leave school at fourteen or fifteen years of age to go to work might get training for a year or two, in some useful art or trade, which would afford them an independent income and free them from the temptations that beset them when obliged to take a humble place in some great store or factory at a miserable pittance. Civil academies for the training of young men and women, who purpose to enter the public service, in the science and art of municipal government would be a blessing to any city. Pension funds for superannuated public employees might be founded and administered by the municipal authorities—at the expense of the employees themselves, of course. Both of these last-named institutions are within the spirit of the existing civil service laws, and necessary to their perfection. Circulating and travelling libraries ought to be within the reach of the humblest. Well-regulated public markets would be a boon. Methods of collecting and utilizing, or otherwise disposing of, refuse and garbage are susceptible of radical improvement. The pay, the hours of duty—in brief, the entire regulation—of the fire, police and most other departments of the city government should

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be committed to the hands of the city's voters, without let or hindrance from the State Legislatures. Municipalities should have the privilege of substituting a single-headed for a bi-partisan police or other commission, if they so elect. They should absolutely control their own water supply and have the power to extend it at will, if only they are willing to bear the cost. They ought to have power to regulate the hours and manner in which the liquor traffic should be carried on within their borders. In short, cities should be allowed to raise revenue from their own resources, and to expend it according to their own ideas as to what will most benefit themselves. They should be left alone to manage their own affairs in their own way, so long as they do not interfere with the welfare and happiness of other communities, reaping the benefit of their wisdom or suffering the penalty of their folly, and to work out their own salvation as best they can.

This is not intended as an argument for municipal ownership. That policy may or may not be feasible under American conditions. Besides, such ownership does not mean, or even imply, municipal operation. But, surely, it is important for those who would better our municipal conditions to make careful note of the fact that municipal ownership, and municipal operation also for that matter, of public utilities, and the extension of municipal functions in the ways suggested, have proved a marvellous success in more than one populous city. Undoubtedly, the trend of public sentiment in most of our large cities, and in many of the smaller ones, is strongly toward its adoption. It should, in any case, be taken up tentatively, conservatively, cautiously at first, and applied to one or two of the simplest enterprises, and then extended to others after its practicability and success have been demonstrated. But, in the meantime, every city of any considerable size ought to be privileged under its charter and under the constitution of its State to do all of the things mentioned, and many others, without leave or license from the rural districts.

The school of municipal reformers which has moulded public sentiment in the United States during the past quarter of a century or more has taught that the effective way to cure municipal misrule was to divest the municipal legislative bodies of all power, and vest it in the Mayors and heads of the departments appointed by them. That plan has been put into operation generally throughout the country. The good results predicted by its advo-

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cates have not materialized. In fact, the scheme has proved a miserable failure. Cities governed under it have had wretched local governments; while in Europe, where the directly opposite policy has been pursued, municipal government has reached its highest perfection. To assert that the American citizens who compose a municipality cannot be trusted to govern themselves as fully as the residents of European cities, where the people are less experienced in popular government, is to impeach and condemn the American governmental system. It is more than probable that, had these reformers advocated an opposite policy and sought for a remedy of existing ills in an extension of the powers of the direct representatives of the people, coupled with fixed responsibility and speedy accountability, their theories would have worked out far more satisfactorily. At any rate, since their theories have utterly broken down in practice, we are warranted in trying the other experiment of bringing the government as close as possible to the people, instead of removing it as far as possible away from them.

The responsible governing body of a city should be the municipal legislature. In it every minority party of any considerable size ought to have representation proportionate to its strength as compared with the majority or plurality party. Nor is there a valid reason why the members of a municipal assembly should be nominated and elected by independent districts, as is generally the custom throughout the United States. There was a reason, in the diversity of interests between the different States of the Union and the different parts of the several States, why Congress and the State Legislatures should be made up by district representation. The system originated at a time when there were no railroads, no telegraph lines, almost no mail service or other means of communication between the different States, or even between the different parts of the same State. Buffalo was farther from Albany then, considering the time it took to make the journey, to transport merchandise or mail, or for communication of any kind, than New York City now is from San Francisco. Pittsburg was farther from Philadelphia than Boston is now from Manila. Each of the political sub-divisions into which States were divided had, practically, a separate and independent existence. Their interests differed radically, and there was good reason for making up the general legislative body of members who would represent the

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peculiar views and the special interests of their respective constituencies.

The same reasoning even yet holds good, in the main, as to State Legislatures. Their business is to make laws for the conflicting and diverse sections of their respective States, all of which contain cities, villages and purely rural sections. Some States contain large mining, lumbering, quarrying, shipping or other special industries, with populous communities dependent on them; some contain several, some all, of these. In some the aggregate population of their cities nearly equals and even exceeds all the rest of the population. Members of a municipal legislature represent no such diverse interests. Diversity of interest has not entirely disappeared in cities, but it is confined, for the most part, to mere questions of local improvements. In everything else the members represent the city as a whole. It is their common district. What with our telegraph lines, telephones, rapid transit, messenger service, quick mail delivery and multiplicity of daily newspapers, as the means of communication from side to side and end to end of a city whose limits embrace an area of comparatively insignificant extent, the modern city is a more perfect unit than was the smallest frontier village at the dawn of the nineteenth century. Every member of a municipal legislature, who, when he votes, is dealing, ninety-nine times out of a hundred, directly with the interests of the city as a whole, should be selected by the city as a whole, on a general ticket, and be directly accountable to all of its voters. Comparatively slight local interests of the different sections of the city might be provided for by permitting districts to nominate while the city elected.

Undoubtedly, under such a system the character of municipal legislatures would be immeasurably improved. The illiterate, ignorant and vicious congregate in certain parts of every city. To give such parts, as our present district system gives them, the right to nominate and elect a representative to deal with the city's finances and other great interests, practically insures the nomination and election of an illiterate, ignorant or vicious member. If that same member were obliged to run on a general ticket, where the educated, intelligent and virtuous sections of the community could have a voice in his election, it would be impossible for him to be elected, and, as a matter of fact, no political party could afford to nominate him. Under such a system, reinforced by a

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simplified and convenient method of making independent nominations for all municipal offices, only the best and most competent men would ever be elected. It would give us a municipal legislature to whose hands might be safely committed the management and control of the city's affairs and the extensions of municipal functions heretofore mentioned, for the same powers are wisely, honorably and capably exercised by the people's representatives in the cities of Great Britain.

If still further safeguards against a misuse of power were necessary, it might be required that important measures should be submitted to a vote of the people before they become laws; or the plan known as the initiative, or imperative petition, whereby the people summarily and directly take the reins of government into their own hands, might be established. However it is brought about, what our American cities need most for the perfection of their governments is that they shall have a direct and effective control over their representatives, and speedy means of visiting punishment upon the heads of delinquent public officials.

Hitherto, the checks relied upon to prevent municipal misgovernment have been found in State constitutions and State Legislatures, instead of the the public sentiment of the governed community itself. This policy is based on the theory that public sentiment of the rural districts furnishes a safer guarantee of proper administration of municipal affairs. For five years the writer, as a member of the upper house of the New York State Legislature, has had opportunity to study this theory in practical operation, and he has no hesitation in pronouncing it not merely unsound but actually vicious. The checks really needed are constitutional checks upon State Legislatures to prevent them from interfering with the internal local affairs and finances of cities. Municipal home rule in the true sense can never be realized under a mere legislative charter which is subject to repeal and amendment at the whim of each incoming legislature.

The stupidest provision of the New York constitution —and similar provisions are in force in many other States—is that which prohibits the incurring of indebtedness by a city in excess of ten per cent. of the taxable value of its real estate. At present the total bonded debt of the City of New York is something over $250,000,000. The contract for the construction of the underground railway has so nearly exhausted the city's borrowing

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capacity that other needed public improvements must be postponed on account of the close proximity of the debt limit. Yet the repayment of the $35,000,000 to be expended in this public work, including interest, is guaranteed to the city by the terms of the contract, secured by sufficient bonds, from the revenues of the road itself; so that there will not be a dollar's burden of it imposed on the taxpayers or other sources of municipal revenue. On the contrary, it will become a safe and paying investment for the city, resulting in the municipality's acquiring complete ownership of the property at the end of a term of years without a penny of cost. So of the portion of the debt contracted for water supply and dock improvements. They are all revenue and wealth-producing investments; yet, under the State Constitution, they reduce the borrowing capacity of the city by their aggregate amount.

The taxable value of real estate within Greater New York will probably average not much above two-thirds of its actual value, so that the constitutional limitation really forbids the city to borrow more than six and two-thirds per cent. of the actual value of its taxable real estate, notwithstanding that the city owns in fee simple real property whose value alone is double the entire amount of its bonded debt. This is not even included in the taxable real estate upon which the limitation of the debt is based, and no account is taken of the fact that a large part of that debt is made up of bonds which represent large revenue-producing investments, nor of the immense amount of personal property owned by residents of the city. How many business houses could exist if their borrowing capacity was limited to so slight a margin of their actual assets? And yet the people of New York City must live on with unrepaired and unsewered streets, without needed school sites, school houses, public buildings, bridges, tunnels, parks, docks and other improvements until public sentiment in rural Schoharie County and bucolic Delaware County says that the constitution may be amended. The city must also submit to the arrogant extortion and despotic sway of its gas, electricity, railroad, telephone and other corporations, until, forsooth, it suits the good pleasure of the rustic statesmen to order otherwise.

Here we come to the real difficulty of the situation. It will be no easy task to shake the grasp of the country districts from the throats of the cities. In the latter are contained the great finan-

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cial and commercial interests which constitute the subject matter of most important legislation, and hence the sources of power or illegitimate gain of the country politicians and representatives. Although they may not be susceptible to the direct influence of the lobbyists—and indeed many of them are of such high personal character as to place them above the suspicion of being influenced directly by monetary considerations—yet they none the less yield indirectly to the same influence through their humble obedience to their party machines, which are purchased and owned by the great moneyed corporations, by virtue of lavish contributions to so-called campaign funds. The country members may be depended upon to array themselves solidly against any radical change in constitution or laws which would divest them of their control over city interests. Some will be influenced by fear of the loss of opportunity for pecuniary benefit; others will be whipped into line by the machine leaders, whose power would receive a fatal blow by the loss of large sums paid to them by urban corporations for "protection," as they euphemistically put it.

The country legislators constitute a most effective instrument for the upbuilding and maintaining of the power of these machine "leaders." While a representative of a city constituency will ponder deeply and hesitate long before voting against a bill to reduce the extortionate price of gas, or the excessive charges of telephone companies, fearing as he must the wrath of his outraged constituency, the member from Pumpkinville or Squash Hollow can vote against it with impunity. His constituency is very little concerned with the local conditions of the great cities and will not chastise him, however he votes. To make his calling and reelection sure, he has only to vote consistently to impose as large a part as possible of the burdens of government on the cities, make a show of opposing an increased rate of State taxation, secure the passage of his little culvert, dam, hay, calf and vinegar bills, and see to it that a sufficient number of his constituents are placed on the pay-rolls of the State. If he discharges these duties well and faithfully, he can loot the municipal treasuries of the State, and refuse redress for municipal ills with profit and impunity. By controlling his vote, the machine is in a position to renew its exactions from the corporations, and, having done so, to secure at the next election, by judicious distribution of the funds thus obtained, a new Legislature through which it may again defend

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every form of municipal extortion and injustice from successful attack.

The political boss will never willingly consent to the extension of the city's borrowing capacity, nor to the liberalizing of city charters in the ways suggested. That would open the way for municipal ownership of public utilities. His power is founded in large part upon the contributions of their private owners. He, and all the forces hostile to granting to municipalities enlarged privileges of local self-government, can be overcome by an aroused public sentiment alone.

Reforms so far reaching as those which have here been discussed are not to be accomplished in a day, nor without persistent education and agitation. They must be purchased by self-sacrificing devotion and repeated heart-breaking failures. They will be fought to the death by powerful corporations, which now possess the public franchises and other municipal privileges. If need be, millions upon millions will be expended to defeat them; and every public man who dares to stand for them will be marked for slaughter by the political machines. Their inauguration would mean virtually a social and industrial revolution in urban communities. But if the contest is long and bitter, the rewards will be commensurate with the fierceness of the battles fought and the magnitude of the sacrifices made. Victory will bring decreased taxation, cheaper rents and lower cost of living all around. The three-cent car fare will be a reality, and will disperse the congested communities to wholesome suburban districts, and afford them comforts and conveniences now within reach of the rich alone. New and better conditions of life will be introduced, which will make for the improvement and elevation, morally, intellectually and physically, of the coming generations. Then will American cities be beyond the control of the malign influences which now retard their progress; and they will have entered upon the highway that leads directly to the ideal of honest, economical and efficient municipal government.

JOHN FORD.

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DINNERS IN BOHEMIA AND ELSEWHERE.

BY JOHN PAUL BOCOCK.

THE Nineteenth Century goes out in a blaze of gastronomic glory. From the ends of the earth dainties are gathered in a net of gold, like Peter's "great sheet, knit at the four corners," and Nabobs "kill and eat." Beasts, birds, fishes and reptiles, in a variety never before known, feed the wealthy of to-day as Lucullus and Apicius never dreamed of being fed. The industrial Crœsus can buy everything but an appetite. But to get into Bohemia, he must not only go hungry; he must be introduced by an habitué whose good standing is proven by absolute indifference to money. Unless, perchance, the millionaire can find a latch-key,—after all, the most delighful means of passing that door, which bears no sign, but opened by some happy accident, gives out upon the air of Philistia careless laughter, thrilling melodies and the scent of devilled sauce.

Yet, money may always be made useful. When a certain poet, in the annals of Bohemia, bought a house, the Congress of Poets decreed that he should sell it and buy wine with the proceeds. When Spenser was starving in the streets of Dublin, Cervantes fasting in Madrid, Butler and Otway dying in debt in a London alehouse, some millionaire might have immortalized himself. Maecenas will live in the reflected glory of Virgil, whom he rescued from sleeping out o' nights, and of Horace, whose gratitude stimulated the lyric muse to her loftiest flights. Of course, it is asking a great deal to ask that a millionaire should go hungry; so he asks a great deal when he seeks admittance into Bohemia. But in no other direction can he hope to escape the deadly monotony of his menu. What matters a new sauce, if the soul share not its delights with the senses!

Where else than in the pages of the poets must one seek the passport to this happy land of the fourth dimension, whose fron-

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tier could not be forced by an army with banners? All the way from Homer to Robert Louis Stevenson there are hints by which faith may reconstruct Bohemian feasts. Horace, Omar, Villon, Dumas, Thackeray and Du Maurier are the annalists; the children of beauty and genius take their places once more at the board and dash off epigrams and lyrics which would make somebody's fortune, could they be recorded "under the rose."

To such a scene who would not gladly turn from the conventional dinner of to-day, which is the same from San Francisco to St. Petersburg? French *chefs* have set a standard for the polite world, which already sickens of their sauces and fishes, meats and poultry, salads and game; always excepting the delicious American terrapin, whose extinction is now threatened as a calamity which wealth cannot avert—wealth, which procures singers and dancers for the diversion of the diners; which is lavished on souvenirs of silver and gold, on hand-painted menu cards and priceless orchids, on roses, such as Omar Khayyam prized above a Satrapy, on trailing wreaths which Horace disdained as "Persian pomp," but which can scarcely buy a new dish—much less a poet!

No wonder the gourmet craves a seat at the table of the poets, described by Horace in his best Latin, done by Thackeray into his best English:

"Dear Lucy, you know what my wish is,
I hate all your Frenchified fuss;
Your silly entrées and made dishes
Were never intended for us.
No footman in lace and in ruffles
Need dangle behind my arm-chair,
And never mind seeking for truffles
Although they be ever so rare.

"But a plain leg of mutton, my Lucy,
I prythee get ready at three,
Have it smoking and tender and juicy
And what better meat can there be?
And when it has feasted the master,
'Twill amply suffice for the maid;
Meanwhile I will smoke my Canaster
And tipple my ale in the shade."

It must be conceded that hot roast mutton savors too much of John Bull and his Isle to be a typical Bohemian plate. But cold roast mutton, on a silver dish, with red wine in a golden

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flagon, made up that extraordinarily impromptu and, therefore, exquisitely Bohemian supper which Master François Villon ate at midnight in Paris, in the mansion of the Seigneur de Brisetout.

Yet it is Thackeray who must be allowed *carte blanche* in the selection of the food of genius. He is far and away the most brilliant Bohemian of modern times; he almost succeeded, in Paris, in making a Bohemian of Charles Dickens himself. And if a week of Dickens at Knebworth led to no initiation of Bulwer-Lytton, the aristocratic mystic, it was no discredit to Thackeray's pupil to have failed in such an enterprise.

The author of the immortal "Ballad of Bouillabaisse" remembered that, in his "own small way," he had counted twenty-nine dishes of which he "partook at a single dinner at Brussels," and had often and often, in his airy flights to the good times of antiquity, "cut off great collops of the smoking beeves under Achilles' tent, and sat down to a jovial, scrambling dinner along with Penelope's suitors at Ithaca." That was going as far back in the lore of gormandizing as was possible for even such an expert as Thackeray. Beef, mutton, bread, salt and wine were, perhaps, as well prepared and as aptly served in Penelope's well ordered household as they were, two thousand years later, by the varlets of William the Conqueror. From Homer to Spenser, the art of dining stood still—except in Greece and Rome, in the age which Horace illuminated and Lucullus disgraced. The barbarian conquerors of the Imperial City soon turned the hands of the dinner clock back to the time of the Trojan war. Here is Pope's description of a typical feast in the tent of Achilles:

"Patroclus o'er the blazing fire
Heaps in a brazen vase three chines entire;
The brazen vase Automedon sustains
Which flesh of porker, sheep and goat contains.
* * * *
"Meanwhile, Patroclus sweats the fire to raise,
The tent is brightened with the rising blaze;
Then, when the languid flames at length subside,
He strows a bed of glowing embers wide;
Above the coals the smoking fragments turns
And sprinkles sacred salt from lifted urns;
With bread the glittering canisters they load.
* * * *
"The first fat offerings, to the immortals due,
Amidst the greedy flames Patroclus threw,
Then each indulging in the social feast
His thirst and hunger soberly represt."

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From which it appears that there was, first, braiséd meat, and then grilled bones, over which the salt was sprinkled, just as they were snatched, with the fingers, from the glowing coals. The wine of Samnium was served in embossed silver loving-cups; there was no drinking to speak of until the eating was done. Yet, those must have been great appetites which were not offended by such dinner accompaniments as this:

> "Now from the well-fed swine black smokes aspire,
> The bristly victims hissing o'er the fire!"

That was the first barbecue. But, doubtless, never in all antiquity was any dish so savory served as the burgoo, which divides with the barbecue the allegiance of every true Kentuckian. The secret of burgoo sauce is handed down in Kentucky with the family feud and the family pistols.

Horace, the greatest name in the annals of ancient Bohemia, takes up the art of dining where "the blind, old bard of Scio's rocky isle" left it. None better than this wonderful Roman, whose light-hearted lyrics defy the ages, "knew and studied the cheap philosophy of life." He was as gay, as eloquent, as witty in the palace of Maecenas on the Esquiline Hill as in his own villa on the Sabine Farm. His genius won him the friendship of the Emperor, and his songs of love and battle, of the fountain of Bandusia and the death of Cleopatra come home to the heart, even after twenty centuries.

Turned loose in the streets of Rome, after the battle of Philippi, without money, his patrimony and his political influence lost in the downfall of his patron Brutus; unknown, save as the son of a freedman; Horace might readily have fallen to the dissolute level of his immortal brother and successor, Villon. He showed himself the greatest of all Bohemians, scorning a dishonorable action, relying on his own resources, seeking the favor of those who could help him, not by pitiful whining, but in such manly fashion that the choice spirits of the famous Augustan era speedily welcomed him to the brotherhood. Virgil, Pollio, Plotius, Varius and Maecenas became his friends.

Some years later, they accompanied him on that most famous of historical revels, the journey to Brundusium. "While in my senses," he declared, when he met them at Sinuessa, "nothing can I prefer to a pleasant friend." Thereupon, the glorious Romans set out to make a night of it; not one night, but fifteen nights

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and days, they turned into a frolic, as they staged it along the Appian Way for three hundred and twelve miles.

"Dinner is the meal of the body, supper the repast of the intellect," some modern Horatian has said. That was a notable supper, at the villa of Cocceius, seven days out from Rome; the rival clowns entertaining the company with their quips, as the authors of the Odes and the Eclogues clinked goblets over the table, and laughed the hours away. Horace says:

"Jucunde coenam produximus."

Yet it was not for over-indulgence that they prolonged the pleasures of the table. At the Sabine Farm, to which Horace did not hesitate to invite such a fashionable beauty as Tyndaris, his own favorite *prandium*, or mid-day meal, consisted of "onions, pulse and pancakes," his *coena*, or dinner, when he was alone, of "pot herbs and a hock of smoke-dried bacon." But, when a friend came, "or a neighbor, or an acceptable guest," the genius of Bohemia flashed from the Bandusian fountain. "We lived well," says the poet, "not on fishes fetched from the city, but on a pullet, and a kid, then some dried grapes and nuts, with a large fig." That was the first course dinner on record, a well chosen repast. Then Ceres smoothed with wine the melancholy of the contracted brow—

"Explicuit vino contractae seria frontis"—

the right function of the juice of the grape; after which, the poet continues, "it was our diversion to have no other regulation in our cups, save that against drinking to excess." No wonder Dean Milman depicts Horace as "the most sensible and delightful person to be encountered in Roman society."

The *coena*, or dinner, as generally served in the houses of wealthy Romans, consisted of a great number of courses, sometimes beginning with oysters, as do the conventional dinners of to-day. Then came one course of fish after another, one dish of birds or game, in great silver forms, or salvers, following another, but slightly different—a profusion which must excite in a refined mind, in our time at least, a sensation of disgust.

"Neither oysters, nor scar, nor the far-fetched lagois," a rare species of grouse that tasted like a hare, says Horace, "can give any pleasure to one bloated or pale through intemperance. Nevertheless, if a peacock were served up, I should hardly prevent

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your being able to gratify the palate with that rather than a pullet." We do not eat pea-fowls and kids, but the Roman esteemed the pea-fowl as highly as we of to-day do the capon or turkey.

The turkey was unknown, as was the terrapin. There were ducks, perhaps as good as the canvas-back; and such a water-fowl, stuffed with a partridge, in which was a lark, stuffed in turn with a fig-pecker, constituted a not unusual game course. Two thousand song birds were served in one dish to Apicius, and one can imagine how easily he spent a fortune of nearly five million dollars on his cuisine. Sow-paps, the liver of scar-fish, and the *tripotanum,* or medley of the three rare fishes, the *lupus,* the *mixo* and the *muraenus* were some others of his favorite dishes. When *lupus* and scar were no longer to be had, except for a fortune, and his treasure chest began to give out a hollow sound, Apicius, who had caused the slaughter of so many helpless creatures, took his own life.

In that time of wanton luxury, which some moderns are said to emulate, soup was unknown. Ice had no place in the household except to cool wine, to which it was applied with great ingenuity, a lump of ice being actually frozen in a glass jar about which the Falernian wine was poured in a larger vase. The linen and silver and gold plate were magnificent.

Yet, except when invited to the Sabine Farm, or entertained by Horace in the palace of Maecenas in Rome, where the poet spent so much of his winters, the noblest Romans died in ignorance of the art of living well.

Down the succeeding ages of darkness comes no ray of the true light until we reach the Tentmaker of Nishapur, Omar Khayyam. That gifted Persian was studying under the Imam Mowaffak when William of Normandy was winning the battle of Hastings. Learning the Koran, by his side, sat Hasan, the future Old Man of the Mountains, whom the first Crusaders learned to fear. "A book of verses"—which may have been the *Carmina* of Horace, for all we know, "a jug of wine, a loaf of bread," and the particular Persian maid whom he addressed as "Thou," were Omar's inspiration. William conquered England; Omar went on drinking wine. Hasan and his schoolmates rose to public power and fortune; Omar went on writing verses. The roses withered in his garden; Omar tarried beneath the vine and looked forward

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to the spring. His quatrains will not be forgotten, *pace* Andrew Lang:

"While the rose blows along the river brink."

From Rome to Persia, from Persia to France flits the genius of Bohemia, to whom time and space are as nothing, and, one morning in the year 1431, breathes upon the new-born François Villon, the "sad, bad, mad, glad brother" of all the poets. The man and his times have been admirably reconstructed by Stevenson, who if he had had health would have been a prince in Bohemia, in "A Lodging for the Night" and in "François Villon, Student, Poet and Housebreaker." Mürger's Bohemians, a disreputable crew, took Villon for their model, even in his disgraces. For his were the love of beauty and of wine, a healthy and continuing appetite, and no money to speak of. What he won at dice or received from the fence for his booty, went for his immediate needs. Above all, he had the rare gift of feasting himself and his boon companions without the expenditure of a sou, as is related in the "*Repues Franches.*" Not since the beginning has any of his peers in poesy condescended to his methods of extorting from the world the living he believed it owed him. Few of them have surpassed the art of those ballades in which he spread the glamour of genius over the infamies, privations, pathos of his career.

A Villon Dinner, in Bohemia, A. D. 1450: the snow flying over the housetops of Paris; the piercing wind howling down the bleak alleys; the wolves prowling in the suburban forests, threatening new incursions into the very streets themselves, scantily lighted by the wine-shop windows; homeless women freezing to death in the church doors; the Poet and his companions shivering in a garret, starved since yesterday, waiting to rob a rectory, until honest folk have gone to bed; Villon scratching away at a Ballade of Roast Fish, which has occupied his muse for days.

Regnier de Montigny whispers in Villon's ear, slips downstairs and returns in a few minutes with a bag of charcoal lifted bodily from the shop around the corner. As he and Villon pile the brazier high, and start the flames to playing and the coals to glowing, Colin de Cayeux proposes that they all three go foraging. In less than an hour, they are back home with a wealth of booty:

Du Poisson: A hamper full, sent by the fishmonger, as he supposed, to the Seigneur de Brisetout, whose menial Villon represents himself. Villon, accompanying the fishmonger's boy, meets, on the way to the Maison de Brisetout, a Friar, in whose ear he whispers:

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"This, my poor brother, is a lunatic: he raves always of money; can you not confess and comfort him?" The Friar agrees. Villon goes to the boy, takes the hamper, and whispers: "There is the Seigneur's treasurer, go to him and he will pay you." Villon and the fish have disappeared, while the Friar is trying to quiet the "lunatic" who persists in demanding his money.

Des Trippes; festoons of it, seized in the confusion caused by Colin de Cayeux's kicking a stray dog under the tripe-stand, and so exciting the market woman's angry passions that she neglects everything else to belabor the unfortunate cur; while Colin and the tripe vanish.

Du Roti: Regnier de Montigny has been pricing meat, when Villon saunters loftily into the butcher's shop, and affects to take offense at the airs of Regnier, who is monopolizing the butcher's attention, forsooth. They quarrel; fall to blows; the butcher runs out to look for the watch, and Colin steals off with a roast, while Villon and Regnier pursue the game of fisticuffs until safely around the corner; then they follow Colin to the garret.

Du Vin; a great jug of white wine de Baigneux, one of two facsimile jugs owned by the Villon menage. One of these is filled with water; the other has been sent to the Pomme du Pin for wine, to be paid for on approval. Villon tastes the wine, says it is not what he ordered, and indignantly orders it back to the Pineapple Inn; the jug of water having been deftly substituted for the jug of wine while he and the garçon are wrangling.

Du Pain tendre; fresh bread, delivered to Villon, around the corner (they never receive goods in their own garret), by the baker's boy, who is bid to hurry back and get "another panier full" and collect for them both on his return.

Two hundred years later, the Three Musketeers of Dumas, eating much the same food as Villon, drinking no less wine, entered the Kingdom of Bohemia and possessed it. The wines of France were already famous; the cooking and service, which speedily became the universal standard, were then growing in delicacy and precision. Yet, when D'Artagnan dines with Aramis, on the eve of the re-establishment of their famous brotherhood in arms, he cuts up fowls, partridges and hams with small regard for precedence or garnishment, and quaffs the white wine of Anjou and the red wine of Beaune with equal zest. There was no suggestion of white wine with white meats and red wine with dark; nor was the chicken served with artichokes or potatoes, the game next with cauliflower, and the ham last, with the salad, as a French *chef* would probably advise, and perhaps insist upon, in our time. Yet the dinner was in the home of Aramis, who was familiar with all the refinements of the Courts of Louis XV. and of the two great Cardinals. And there were no two men of subtler spirit, with souls more quickly set to music by the song of the sword or the swish of a petticoat.

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The French *chef* had been developed by the aid of olive oil, truffles and mushrooms, with a spray of garlic, when Napoleon came on the scene, a hundred and fifty years after the times of Athos and Porthos, D'Artagnan and Aramis. The product as well as the creator of the art of dining, this *chef* gave to his creations the names of famous victories, eminent artists and composers of music. We know that Napoleon ate chicken *à la Marengo* the night after that bloody battle; what the *chef* served to him the night before Austerlitz we do not know, except that it disagreed with him. Art is yet to set its seal of approval on a dish which will beget great thoughts, a sauce full of masterful purposes, a wine effervescent with lofty inspirations. One man drinks champagne and beats his wife; another under its promptings will write poems, like Schiller. Dryden did not reveal, if he knew, what food and wine were served at Alexander's Feast. History declares Alexander the Great carried the Iliad about with him in a golden box, and was "fond of eating and drinking"—what? Tennyson ate boiled beef while he wrote the "Idylls of the King." The relation of brawn to brain has not been determined.

"Every man of capacity," said Lord Shaftesbury, "holds within himself two men, the wise and the foolish; each of them ought freely to be allowed his turn." Having vainly offered his services to Dickens as an illustrator of the "Pickwick Papers," in 1837, Thackeray decided to take a turn in the Capital on the Seine, and see if he could prosper better by his pen than by his pencil. The world knows him, now that he has been dead thirty-eight years, as a spectacled lecturer, a sedate English gentleman, the brilliant author of "Vanity Fair," and "Henry Esmond," "Pendennis" and "The Virginians," one of the fathers of Victorian fiction. But Paris knew him as the wisest of *gourmets,* the most artistic of *bons vivants,* the most critical of connoisseurs of the *cuisine,* the rollicking genius at whose knock Parisian Bohemia opened its doors and owned its master, from the Boulevard to the Rue Neuve des Petits Champs.

Could Horace, or Villon, have excelled this:

> "This Bouillabaisse a noble dish is—
> A sort of soup or broth, or brew,
> Or hotchpotch of all sorts of fishes
> That Greenwich never could outdo;
> Green herbs, red peppers, mussels, saffern,
> Soles, onions, garlic, roach and dace,

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All these you eat at Terré's tavern
In that one dish of Bouillabaisse.
* * * * *
"Where are ye, old companions trusty,
Of early days, here met to dine?
Come, waiter, quick, a flagon crusty—
I'll pledge them in the good old wine;
The kind old voices and old faces
My memory can quick retrace;
Around the board they take their places
And share the wine and Bouillabaisse.
* * * * *
"Ah me, how quick the days are flitting!
I mind me of a time that's gone,
When here I'd sit, as now I'm sitting,
In this same place—but not alone.
A fair young form was nestled near me,
A dear, dear face looked fondly up
And sweetly spoke and smiled to cheer me
—There's no one now to share my cup.

"I drink it as the fates ordain it,
Come, fill it, and have done with rhymes;
Fill up the lonely glass and drain it
In memory of dear old times.
Welcome the wine, whate'er the seal is,
And sit you down and say your grace
With thankful heart, whate'er the meal is,
—Here comes the smoking Bouillabaisse!"

Terrapin and canvasback duck may some day have their poets, if they do not become extinct too soon—game and poets, both. But there will never be anything better in its way than the Ballad of Bouillabaisse, joint product of genius and *gourmandise*.

"Shakespeare or Raphael," wrote Thackeray, "never invented anything that, on a hot day, at half past five, is equal to 'Ay and oysters.'" Who shall dare to find anything vulgar in champagne and oysters after that? Those, of course, being the small oysters of Ostend, not the great oysters of which some Americans are fond as an appetizer, one of which made Thackeray, when he came here to lecture, feel as if he had "swallowed a baby."

"Sir," says the author of "Vanity Fair," the poet whose lyric "At the Church Gate" is unsurpassed in the English language, "Sir, respect your dinner, idolize it; enjoy it properly; you will be by many hours in the week, many weeks in the year, and many years in your life, the happier if you do." And what a shining example this wonderful man set at that ideal Dinner in Bohemia

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which he shared with an old friend, suddenly encountered on a little street, on a gray afternoon, near the Câfé Foy:

"We had half a dozen sardines while the dinner was getting ready, eating them with delicious bread and butter for which this place is famous. * * * After the soup we had what I do not hesitate to call the very best beefsteak I ever ate in my life. By the shade of Heliogabalus! As I write about it now, a week after I have eaten it, the old, rich, sweet, piquant, juicy taste comes smacking on my lips again, and I feel something of that exquisite sensation I then had. I am ashamed of the delight which the eating of that piece of meat caused me. G—— and I had quarreled about the soup; but when we began on the steak, we looked at each other and loved each other. We did not speak—our hearts were too full for that; but we took a bit, and laid down our forks and looked at one another and understood each other.

"Every now and then we had a glass of honest, firm, generous Burgundy, that nobly supported the meat. As you may fancy, we did not leave a single morsel of the steak; but when it was done we put bits of bread into the silver dish and wistfully sopped up the gravy. I suppose I shall never in this world taste anything so good again. But what then? What if I did like it excessively? Was my liking unjust or unmanly? Is my regret now puling or unworthy? No. *Laudo manentem.* * * Any dispute about the relative excellence of the beefsteak cut from the filet, as is usual in France, and of the entrecôte, must henceforth be idle and absurd. * * Always drink red wine with beefsteaks; port, if possible, if not, a Burgundy, of not too high a flavor—a good Beaune say. This fact, which is very likely not known to many persons, who, forsooth, are too magnificent to care about their meat and drink—this simple fact I take to be worth the whole price I shall get for this article. * *

"But to return to dinner. We were left I think sopping up the gravy with bits of bread, and declaring that no power on earth could induce us to eat a morsel more that day. At one time we thought of countermanding the *perdreaux aux truffes.* Poor blind mortals that we were! We were kept waiting between the steak and the partridge some ten minutes or so. Then we began to fiddle with a dish of toothpicks; then we looked out of the window; then G—— got in a rage, rang the bell violently and asked: *"Pourquoi diable nous fait-on attendre si longtemps?"* * * Auguste grinned and disappeared. Presently, we were aware of an odor gradually coming toward us, something musky, fiery, savory, mysterious—the truffes were coming! Yonder they lie, caverned under the full bosom of the red-legged bird. My hand trembled as after a little pause I cut the animal in two. G—— said I did not give him his share of the truffles; I don't believe I did. * * What wine shall we have? I should like some champagne. It's bad here. Have some Sauterne? Very well, (Auguste, opening the Sauterne) cloo-oo-oop! The cork is out; he pours it into the glass; glock, glock, glock! Nothing else took place in the way of talk. The poor little partridge was soon a heap of bones."

Where in literature is there anything else like that?

Dickens, Wilkie Collins and Leech were in Bologne with

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Thackeray for some weeks in the summer of '54. The next year, when Dickens resided in Paris, Thackeray introduced him to the little inns of Bohemia, not to the ladies of that lively land.

But Dickens did not have the making of a Bohemian in him; or else it had been crushed out by the hardships of his youth, when a plate of beef *à la mode* was the height of his gastronomic aspirations. Lord Rosebery and many prominent men attended the public dinner to him in Edinburgh in 1841, but Dickens did not know what he was eating and drinking; nor did he at the dinner in his honor in Boston, nor in New York, the one at which Washington Irving presided, and broke down in his speech of welcome. Thackeray would have analyzed and criticised every dish and wine. Dickens was not favorably impressed with American dinners. His description of the boarding-house in "Martin Chuzzlewit" shows that. He complained of the absurd length and profusion of the hotel menus, just as Max O'Rell complains to-day. He had spent one Bohemian night, at least, in the United States, with Irving, their last together.

"Some unknown admirer," writes Dickens, "of his books and wine (in Baltimore), sent to the hotel a most enormous mint-julep wreathed with flowers." Over this great bowl he and Irving sat *vis à vis,* that March evening in 1842, "far into the night. My memory never saw him afterwards other than as bending over it, with his straw, with an attempted air of gravity, * * * and then, as his eye caught mine, melting into that captivating laugh of his."

But who, gentle reader, of the mighty prophets and priests of literature wrote this description of a Bohemian dinner in Paris, at which Emile de Girard was host:

"On the table are ground glass jugs of peculiar construction, laden with the finest growth of Champagne and the coolest ice. With the third course is issued Port wine (previously unheard of in a good state on this continent), which would fetch two guineas a bottle at any sale. The dinner done (not a word, mind you, about the dishes!), Oriental flowers in vases of golden cobweb are placed on the board. With the ice is issued Brandy, buried for a hundred years. To that succeeds Coffee, brought by the brother of one of the *convives* from the remotest East, in exchange for an equal quantity of California gold-dust. The company being returned to the drawing-room, tables roll in, by unseen

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agency, laden with cigarettes from the Harem of the Sultan; and with cool drinks, in which the flavor of the lemon, arrived yesterday from Algiers, struggles voluptuously with the delicate Orange, arrived this morning from Lisbon. And even now I have forgotten to set down half of it—in particular, the item of a far larger plum-pudding than ever was seen in England at Christmas time, served with a celestial sauce in color like the orange blossom and in substance like the blossom powdered and bathed in dew, and called, in the carte (carte in a gold frame, like a little fish-slice, to be handed about) *Hommage a l'illustre écrivain d'Angleterre!* That illustrious man staggered out at the last drawing-room door, speechless with wonder, finally; and even at that moment his host, holding to his lips a chalice set with precious stones and containing nectar distilled from the air that blew over the fields of beans in bloom for fifteen summers, remarked: *Le dîner que nous avons eu, mon cher, n'est rien—il ne compte pas—il a été tout à fait en famille. Il faut dîner, en vérité dîner, bientôt.*"

That was all Dickens's own; would it be recognized as his? On this visit to Paris, in the winter of '46-7, he dined with Théophile Gautier and Eugene Sue, and supped with Dumas and Alphonse Karr. But he was never acclimated. Thackeray, well along in years, and Du Maurier, only a youth, were in Paris at the same time—and in the thick of Bohemia.

Bulwer, the great contemporary of Dickens and Thackeray, loved to wander about the country in disguise; to learn thieves' patter in the East End boozing kens and to reproduce the dashing lives of the knights of the road; but his was not the temperament, any more than Macaulay's, to seize upon the delights of the Land of the Impromptu. When he was 22 (1825) he spent some months in Paris, wearing fantastic costumes, like Disraeli, and "beautiful curls," but extending his rambles no farther than the hospitals, schools and libraries he loved to visit. Dickens, who spent a week at Knebworth, in the summer of '61, found Bulwer "brilliantly talkative, anecdotical and droll," but "a little weird, occasionally, regarding magic and spirits." They both looked at life seriously; their pens painted no pictures of Bohemia. But Bulwer has left one most amusing description of what might in other hands have developed into a rollicking dinner episode:

"On the road to Boulogne, stopping to dine at a little inn,

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* * * the landlady asked me, with a smirk, if I would not like a *dîner a l'anglaise*. Of course I said yes. And I was served with * * * soup and potatoes; dry mutton chops and potatoes; juiceless chicken and potatoes; and last scene of all * * * in, after these, came, by way of the most delicate dish of the dessert, centrally situated in the midst of cheese, apples and walnuts—potatoes again! yea, verily, potatoes!"

Macaulay had a magnificent opportunity when in "Athenian Revels" he described Alcibiades' farewell supper, in Athens, before setting out on the ill-fated Sicilian Expedition. One gathers meagerly from his classic pages that the gilded youth of the most famous city in the world "swallowed thrushes and hares" and played the cottabus "with Chian wine." The most delightful of essayists was gifted with *savoir vivre,* but not the *savoir dîner* of the *Punch* dinner table, for instance, at which Du Maurier became a regular guest some twenty years ago, with all his delightful French fashions and phrases and his whole-souled Anglo-Saxon sincerity. Burnand, Sir John Tenniel, Harry Furniss and the rest of them gathered "Around the Mahogany Tree" in the right spirit. There was nothing about Bohemia worth knowing which Du Maurier hadn't learned in Paris and Antwerp in the years from '56 to '60. He was Taffy, Little Billee and the Laird all in one. "As for Du Maurier," says Henry W. Lucy, "once he had got his coat off, with two chairs to loll upon, a box of cigarettes at hand, and a bottle of claret on the table, he did not want to go home at all!" This fascinating Anglo-Frenchman, indeed, seemed to carry the atmosphere of Bohemia about with him; and it grieved him sorely to be subjected to the tedious formality of a conventional dinner.

"When I go out to an ordinary dinner party," he would say, according to Mr. Lucy, "I often feel that I might as well be dining at a *table d'hôte*. I have a neighbor on my right and another on my left, to whom I talk in turn. For all practical purposes I am dining with these two, whom possibly I never met before, may never see again. * * * Ten to one, they are duffers."

And what can a duffer do in Bohemia!

JOHN PAUL BOCOCK.

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JEWS AND JUDAISM IN THE NINETEENTH CENTURY.

BY THE REV. M. GASLER, PH.D., CHIEF RABBI OF THE SEPHARDI COMMUNITIES OF ENGLAND.

If I should attempt to sum up in a short sentence the whole history of Jewish life in this century, I would say that it has been the awakening and strengthening of self-consciousness and the desire of securing absolute equality with non-Jews. This tendency has asserted itself in all the walks of life, in politics as well as in science and religion. In their eagerness the Jews may have sometimes overshot the mark and produced the semblance of aggressiveness. The Jews have practically rediscovered themselves, their past and their position among the nations of the earth. They have come out of the artificial seclusion in which they had been kept for the last three or four centuries, and they at once acted upon the motto: *"Nihil humanum a me alienum puto."* This participation in the general movement was only gradual and did not occur in all the countries where the Jews lived at the same time and to the same extent. It followed in the wake of the political emancipation of the nations themselves, and of the new tendencies that each nation evolved.

Movement, agitation, must not be taken, however, as indicating always a development making only for progress; it is as often retrograde as progressive, it sometimes leads from one extreme to another. Thus it happens with the development of Judaism in the last century. In order to delineate the general drift of this movement I will treat it from the point of view of political disabilities, scientific revival, religious changes, and, lastly, national tendencies. These are neither all synchronous, nor simultaneous. The progress in one direction often means retrogression in the other; without being mutually exclusive, they are not all on the same plane, but relieve one another in turns.

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At the end of the eighteenth century, the Jews enjoyed the full protection of the law only in France and in Turkey. In fact, they have never suffered any persecution in the latter country. In France, the change in the political position of the Jews was a corollary to the principles of equality and fraternity proclaimed by the great Revolution. It was not an act of cool calculation and firm determination to wipe out the injustice committed against the Jews for so long a period; but the rush of enthusiasm evoked by the grand oratory of Mirabeau and seconded by the Abbé Grégoire carried the Assembly by storm, and the French nation then granted the Jews the first gift of freedom. It was the dawn of the new light that was to shine upon the whole of Europe. This emancipation has thus the character of a gift, made in consequence of abstract theories. It is not a concession wrung from a reluctant foe by the superior force of conviction. But, whatever its origin may have been, the Jews were no less grateful for the first definite break with a terrible past. The number of French Jews at the time of the Revolution was not very great. Most of them lived in Alsace, and in only a few of the larger towns of France were they at all numerous. The fickle character of this new abolition of disabilities was shown by the vicissitudes it had to go through, the animosities which it raised when the Republic became a monarchy under Napoleon, and the attempts which were made to wreck the whole work of liberation or at least to jeopardize its fair working. Thereupon, Napoleon called together the first public Jewish Assembly, known as the Sanhedrin, to which some of the objections and accusations which had been raised were submitted for examination and reply. I mention only one of these objections, as it reappears in our days, viz.: the question as to how the Jews could reconcile their patriotism with the desire of returning to Palestine. The answers these notables were able to give satisfied Napoleon, though none of their direct recommendations was carried out.

The importance of this new departure lay in the fact that it threw open to the Jews for the first time the gates which had been closed to them all over Europe. They were introduced to the new parliamentary forms of modern life, to the open discussion and ventilation of their grievances and of vital questions concerning them. In these deliberations of political assemblies

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they had a voice, and had no longer to wait and hear the result of the discussions of others regarding their affairs.

At the beginning of the century, the position of the Jews in all other countries of Europe, always excepting Turkey, was full of degrading anomalies. The Ghetto, originally an Italian invention, had been naturalized in the German-speaking countries. The German nation itself was cooped up in air-tight and, if I may coin the word, light-tight compartments. Split up into thirty or forty small governments, with laws and regulations differing from one another, these German "states" devoted their pettifogging and pedantic ingenuity to inventing new regulations and prohibitions against the Jews, who were living in still smaller Ghettoes than the rest of the inhabitants of these principalities. It would be absurd to attempt the enumeration of these regulations. Suffice it to say that even marriage was not allowed, only a certain number were permitted to live in each small community. They had mostly to live in a circumscribed area, to earn their livelihood by certain fixed means, to follow a certain limited number of trades and vocations. There was no freedom to travel from one place to another or to reside outside the radius, the "pale," prescribed by the authorities. Fines and taxes were imposed with a lavish hand. The censor kept watch over all literary attempts. Every feeling of common interest with the Gentile world outside was crushed out, and it would have been a wild dream, indeed, for some of the dwellers in those German Ghettoes to believe in a change so sudden and so radical as was about to happen.

The triumphal march of Napoleon's victorious armies swept away all these artificial barriers, and let fresh air and light in where only the ghosts of mediæval times used to stalk about freely. The dawn of a new era broke upon the Jews, as well as upon all other nations. The call to arms for freedom from oppression, for liberation from feudal and secular thraldom, was heard by all the nations of Europe, and most of them responded to that call. New ideas were propagated, such as the fraternisation of mankind, equality before the law, liberty of thought and action, words and ideas up to then living in the domain of philosophic dreamers. Unhampered by any traditional prejudices or vested interests, it is no wonder that the Jews eagerly seized this opportunity and would no longer allow the awakened self-con-

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sciousness to go to sleep again. The rest of the time was devoted mostly to strengthen this feeling. A continual war had been waged against it from the moment that Napoleon was defeated. The crudest reaction set in. All the old boundaries were re-erected, the old disabilities reimposed upon the Jews. They saw the walls of the Ghetto being rebuilt, after having tasted the sweets of free life and intercourse with their fellow-citizens of another faith. The nations were also again split up into small states and all the privileges granted under stress of war were being revoked. Neither did the new democracy tamely submit, nor did the Jews view with equanimity the loss of their recently acquired freedom. This explains the part they thenceforth took in the struggle of the democracy and their adherence to liberalism, from which alone they could expect the redress of the grievances, which they now felt more keenly than at any previous time. It also explains the sympathy felt by prominent thinkers among the Jews with the claims of labor, and their intuitive foresight in the treatment of the economical questions which are now dominating the civilized world.

The horizon had been greatly enlarged during the first years of the century, and with that mental agility which is the outcome of the intellectual training pursued by the Jews for centuries, they at once applied themselves to master the new fields of science opened to them. Questions which had previously not crossed the threshold of the Ghetto were now brought home to the Jews. An agitation was kept up to strengthen the position once won. Need there was for such an agitation, for at a given time there were in Germany alone no less than thirty-six separate legislations dealing with the position of the Jews. Bit by bit they had to be demolished again, and only as late as 1870 the last trace of the legal disabilities of the Jews disappeared in Prussia, also to be repealed soon afterward, at least officially, in the other smaller German states. In France alone, though at times limited and threatened, the liberties once acquired were retained by the Jews. There, also, reaction tried to raise its head with the restoration of the monarchy; but the traditions of the Revolution were too strong, and the Jews had already occupied so strong a position that it was no easy matter to oust them from it. France has remained, up to a very short time ago, the ideal country of freedom and liberty for the Jews all

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over the Continent. There the Jews also first identified themselves entirely with the highest aspirations of the French nation; and were rewarded by an unstinted recognition of civil and political equality. All posts were open to them, all careers were now the legitimate aim of the younger generation, and they availed themselves fully of these rights.

In England all those hopes and aspirations of European democracy, freedom from mediæval trammels, equality before the law, and, above all, the sense of true justice which pervaded all classes of society, had been for centuries, I might say, the common property of the nation. An ingrained feeling of justice and a respect and veneration for the Sacred Scriptures unequalled in any other country of the world, contributed to win in time for the Jews the full protection of these admirable laws. Incidentally, I may remark that England, knowing then as little as it does now the true state of the nations on the Continent, true to her principles, fought, as she imagined, the battle of liberty, and lent her hand to crush Napoleon under the impression that she was crushing tyranny. In fact, she assisted in rehabilitating the worst form of political reaction. I am not referring here to those wars against Napoleon waged in self-defense and proclaimed as such. I am, rather, alluding to the general opinion, to the repetition of the assurance, that in fighting Napoleon tyranny was crushed. The Jews knew better, and the subsequent upheavals in every part of Europe showed that the masses of the downtrodden people knew better. The disabilities of the Jews in England disappeared also after a long struggle. Success was achieved by enlightening public opinion and by getting the sympathies of the masses, which have never since been estranged.

Whilst this evolution was taking place at the centres of civilization, the position of the Jews in less favored countries was on the whole better, in so far as they were deluded by no mirage. The nations in whose midst they lived neither knew nor as yet appreciated the sweets of freedom. In Russia, especially, serfdom had not yet disappeared and in comparison to the "Souls" of Gogol's powerful novel, the bodies of the Jews were in a better position. Nicolas I. attempted some reforms, but he carried them out in a drastic manner; he forced the Jews into the ranks of the army, and at a given moment, finding them reluctant to become life-long soldiers, ordered a number of young children to

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be forcibly taken from their parents, and be brought up with peasants in distant parts of the country, to be drafted afterwards into the army. I mention this fact, not merely to show that the Jews in Russia were then as now at the absolute mercy of the autocratic government, but also to point to the first cause of the modern Jewish emigration from the East of Europe to the West and to America. The *"Drang nach dem Westen,"* so conspicuous at the end of ancient history, preceding the mediæval period, was repeated now on a smaller scale by the migration which set in, which has been going on uninterruptedly and is assuming immense proportions.

The Jewries of the West became thus enlarged by the newcomers, and also modified to a certain extent. The number and importance of Jewish Communities increased everywhere through this influx of new blood. There is no greater mistake than to imagine that this new element was merely the receiving one; they were to a great extent also givers. The share which they have taken in the spiritual development of the Jews in the nineteenth century is by no means inconsiderable, as will become evident later on when I deal with this aspect of our problem. Characteristic of this first period is the enormous spreading out of the Jews all over Europe on a much larger scale than even at the time of the expulsion of the Jews from Spain. Then and at the time of the Cossack persecutions in the seventeenth century, the Jews were fleeing for their lives. The alternative was either death or conversion to Christianity. In the past century, it was migration; for, if they remained in their old homes, the alternative was persecution and the life of a helot, or spiritual destitution and the death of the soul, though not immediately that of the body. They chose the life of freedom, of hard work and brighter prospects. An alluring picture drew them by thousands from the Ghettoes of the East to the free countries of the West. The air was filled with poetry, one heard of the teaching of "human brotherhood," of 'equality between man and man," of cosmopolitan tendencies. The glamor of poetical romanticism was shed round the past. The principles of altruism, Comte's Positivism, the strains of new life were all so different from the dirges and wails of tortured souls, from the echoes that resounded in other parts of the world. Equality, liberty, cosmopolitan levellings, were so much unlike the "divine rights" claimed by

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a few chosen individuals, the aristocratic and feudal privileges from which the rest of the people were rigidly excluded, which, for instance, ruined Poland and divided Central Europe into numberless petty states. All those grand ideas, nurtured in the hearts of the Jews under the designation of "Messianic hopes," were now apparently realized. No wonder, therefore, that the Jews should feel attracted, and should change their wretched birthplaces for better countries. Out of the political gloom and the night of persecution into the light of freedom and hope!

The improvement in the situation of the Jews in the West of Europe went on up to about 1875. The German Empire had scarcely been established when the old war between Kaiser and Pope broke out anew. Under the name of *"Kulturkampf,"* Bismarck and his Minister Falke inaugurated an era of persecution of the German Catholics. I cannot enter here upon the merits of that struggle. But the fight against one religious denomination, though carried on for political purposes, was dexterously shifted from the Catholics and by the Catholics on to the German Jews. Some of the latter, such as Lasker, in their quality as deputies, supported Bismarck in the Reichsrath; hence the hatred against them. Much love had never been lost on the Jews in Germany. It required very little skill to revive the old feud, which had never been entirely obliterated. The principles enunciated for the first time and formulated by men who pretend to stand on the summit of "Culture," have spread far beyond the borders of the Fatherland, and have become now the catchwords of thoughtless demagogues and of irresponsible leaders of the new crusade against the Jews. Germany plays so important a role in the modern history of mankind, and has so deeply influenced the current of modern thought and habits, that I must devote more space to the consideration of the changes wrought there, than to those in any other countries. It forms, as it were, the centre whence all the effects found elsewhere can be shown to have radiated As the treatment to which the Jews are exposed is a sort of psychological barometer for the ethical position which a nation can claim in the world of morals and of truth, an examination of the principles which have ruled and now rule again might also be of some interest for the student of modern ethics.

Toward the end of the eighteenth century, Germany, split up

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into many small states, with narrow political horizon, and not yet having a literature of its own, was deeply influenced by French and English literature. Romanticism, the poetical glorification of the Middle Ages, due to a great extent to absolute ignorance of the true aspects of things during that period, also began to be popular in Germany. But whilst, in England, Bishop Percy's Collection produced, in the long run, Scott's "Ivanhoe," in Germany Herder's *"Stimmen der Völker"* did not produce Lessing's *"Nathan der Weise,"* which preceded it, but stimulated the glorification of the Teutonic Middle Ages, the romanticism of Schlegel and Brentano, and ultimately a heathen Teutomania, which excluded everything from its Walhalla that could not prove Germanic ethnic descent. The first logical consequence was the appearance of pamphlets from men like Rühss and Riel, in which they declared the Jews to be incapable of joining in the Teutonic nation as equal units; and proposed to grant them mere toleration as a people of another race and of another religious mould. In order, as it were, to atone for this new heathendom, which pervaded the universities, there set in a peculiar religious coloring of Christianity—a sentimental, vague Christianity—not free from mediæval mysticism and licentiousness. The spokesman of this species was Schleiermacher, whose teaching, improved upon by his followers, ended in the declaration of a belief in a special Teutonic Christianity, with a God of its own. It was anything but true Christianity. Furthermore, natural science, which reached its highest development last century, on the one hand sapped the foundation of religion just as much as the rationalistic school of Tübingen, with the new Higher Criticism of the Bible, did on the other. All these causes contributed to a lowering of the standard of equality granted to the Jews, and robbed them of the fruits of the sacrifices which they had willingly, nay cheerfully, brought to the altar of their German "Fatherland," when they fought in the ranks of the German armies against their own liberator, Napoleon. Nor was this the only sacrifice which they brought. In their endeavor to show in a practical manner the hollowness of those pedants and dreaming reactionaries who would fain revive the glorious times of the Middle Ages, they almost outdid the Germans in their patriotism. It was all in vain. The principles of the Teutonians have survived to a surprising degree. Hatred of the

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foreigner in blood, glorification and exaltation of whatever appeared to be German, or rather Teutonic, especially as it led indirectly to the establishment of the German Empire, is growing steadily alongside of an increasing unrest and disintegration. Mystical, specific Christianity, rank apostasy and crude materialism act as such disintegrating forces, with socialistic tendencies opposed to feudal pretensions; all these and the lust of persecution, shown also by the conflict with Rome, contribute to this process of disintegration and have made it very easy for the skilful manipulator to turn popular prejudices against the Jews, pointing to them as the primary cause of the social and religious discontent permeating various classes of society. They were charged with the responsibility for all the skepticism that turned people away from the Church, and for the radicalism which threatened the prerogatives of privileged persons and classes.

All this, however, would not have sufficed to drive the Jews from their legally safe-guarded position, and would not have found favor with the masses had the masses not been weaned, effectively and energetically, from those lofty sentiments of Cosmopolitanism, Altruism, Equality, the Brotherhood of Man, and all the glorious principles for which they died on the barricades during the first half of the century. Local patriotism had been fostered, and, above all, the nation had been put into the straitjacket of militarism, where it was taught to obey and not to reason, and where it was to find political salvation. The era of blood and iron set in, and the higher principles of humanity, of justice, had been drowned in the blood of many battlefields. Nationalism, *i. e.*, egotism in its most brutal form, took the place of humanitarianism; seclusion, that of expansion; personal interests, that of general welfare; and all together have produced and still produce a spirit of bitter jealousy and envy, of hatred and persecution against anything and everything that runs counter to the new racial and national prejudices, which are set up as the only standard of true patriotism. Hence the universal moral decay, the ethical disintegration which slowly darkened the horizon of the civilized world within the last twenty-five years of the century. This is the psychological origin of the new moral disease known under the name of Anti-semitism.

It is not to be supposed that the Jews, whose life is being made more miserable from day to day, had no share in this

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change of sentiment and treatment. The fault which can be laid at their doors is that they had neglected to study the lessons of the past. They were too eager to cast off that past, to obliterate every trace of it, and to show by sacrifices not asked for, nor even expected from them, how much they wished to identify themselves with the country in which they happened to live. They threw their whole heart and soul into the melting-pot of Germanisation, Anglicisation, Gallicisation, etc., expecting to come out of it without any dross of the past clinging to them, shining in the new light of patriotism as bright as the other inhabitants of those countries. They believed strongly in the sincerity of the generous sentiments expressed by others, and thought that such generosity claimed like generosity or renunciation on their part. Herein lies the fundamental error of the Jews, which has exacted from them so bitter a penalty at the close of the century. Starting from false premises, they were led to false conclusions. There was no generosity on the part of those who granted the Jews equality and liberty. It was merely an act of justice, it was the homage rendered to the awakened spirit of truth and right, and claimed, as such, no more recognition or thanks than any act of justice performed in the courts of any country. The Jew bears the burdens of the state in the same manner as the other inhabitants and has therefore just as much claim to participate in all rights and liberties as the rest of his fellow-citizens.

To imagine that any sacrifice that a nation with such a past as the Jews could make would at once alter their innate characteristics, or would in any way promote an intimate fusion of two races, was the greatest mistake possible. Short of apostasy, the Jews did not shrink from any sacrifice. In consequence of the awakened consciousness, their desire was to obliterate every vestige of that past and to be merged completely into the nation with which they aspired to live on a footing of absolute equality. It was an impossible and unnatural attempt. Instead of being satisfied with marching on parallel lines, they wished to walk in converging lines, hoping that at some time, whose advent they wished to hasten as much as possible, the point of contact would be reached. We witness therefore throughout the greater part of the century a craving for blind imitation, in the vain hope of obtaining absolute identification and assimilation.

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I am not inveighing against their legitimate desire of full participation in the conquests over the forces of nature, or against their eager wish to take, if possible, a large share in the intellectual victories which science in the widest sense has gained. True science is not limited to one nation or to one hemisphere. The Jews soon identified themselves with all the progress which has marked the intellectual life of the world during the last hundred years. There is no branch of knowledge in which the Jews are not fully represented; in Medicine as well as in the Natural Sciences; in Diplomacy as well as in Law; in Music and Painting, the Drama and Fiction. In every country and in every land where facilities were given to them to acquire the requisite knowledge, the Jews were not behind in utilizing them to the fullest extent. To give here a list of such Jews as have contributed to the general advancement of civilization would be too tedious a task. Every science knows them, every branch of learning counts scores among them, and especially among the followers of exact sciences.are they well known.

Of far greater moment, however, is the inner religious change which has taken place in consequence of this craving for assimilation. It played them false, inasmuch as it made the Jews believe that their identification with the higher intellectual pursuits, and the equality they had gained therein, would also bring the social equality of which they had dreamed. They fashioned their lives according to non-Jewish models. Easily influenced as they have shown themselves in all times, they played at being Teutons of a new complexion. The barriers of the Ghetto once broken, all that which seemed to remind them of it was henceforth forgotten. We see, therefore, a profound change in the religious life of the Jews. Mendelssohn's activity, the introduction of the pure German instead of the corrupt German which the Jews spoke, the acquaintance with German literature and the philosophical tendencies of the time, caused the Jews to attempt the recasting of the old faith and ceremonial on what they believed to be a rational basis. To curtail the service, to introduce German sermons, to ape the outward form of Christian worship, to eliminate Hebrew from the Synagogue and from the house, were the first and principal aims of the new school headed by Jacobsohn and followed by many. The ultimate ambition of these reformers was to bring about at least outward identity in

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worship between Jews and non-Jews, and to sweep away the last remnant of the specifically Jewish life in the Ghetto.

Growing scepticism, the heathen tendencies and the romantic "*Schwärmerei*" of their Teutonic models, were not without effect upon their blind followers. And when the "Teutonic-Christian" State held out the bribery of appointments and honor for apostasy it became rampant. A blow had been struck at the old faith by the example set in the famous "Salons" of Berlin, by the apostasy of the daughters of Mendelssohn, of Rachel Levine and others. No wonder if men like Heine and Börne were driven to similar expedients. Nearly every man who aspired, and I may say aspires now, to the chair of a professor at a German university had first to sacrifice his convictions. The want of religious fervor, and the lack of adhesion to the old teaching spread very much among the Jews and is one of the principal characteristics of the nineteenth century. More even than the Christians, did the Jews of the West of Europe, and for that matter those of America, reject the old teaching, consciously or unconsciously animated by the same sentiment of placing themselves on an equal footing with their neighbors. They gave up every distinctive mark and appeared to the non-Jews as stripped of every Jewish ideal, given up entirely to the mimicking of others, without losing, however, in spite of what they had so fondly imagined, those traits which had been impressed on their minds and habits by the seclusion of the Ghetto. We find thus Judaism undergoing a radical process of transformation among the Western Jews, which has to a certain extent estranged them from their Eastern brothers without bringing them perceptibly nearer the goal at which they aimed.

This movement did not pass unchallenged. These changes not being born of profound scholarship, but attempting merely to replace the things that appeared antiquated and irksome by others, borrowed from foreign sources, that appeared new and attractive, and not resting on a sympathetic or romantic appreciation of the past, were challenged by men of a totally different stamp, who have slowly but successfully driven this current back.

The example set by German romanticism, turning back with admiration to the twilight of the Middle Ages, was not lost upon the Jews. Those who had immigrated from Eastern Europe or come from the then half-civilized communities of Austria and

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Galicia, learned soon to imitate and to search for similar examples in the old, now almost forgotten, literature of ancient times. For the Jews had no period of obscurantism, no real Middle Ages; they had a long record of mental activity, which, however, lay buried under the ruins of the old world. To this the new generation turned with love, in the hope of showing to their people that the Jewish past was no whit behind other nations in pathos and romanticism, in learning and intellectual achievements. Thus arose the school of the History of Judaism, whose foremost representatives were Zunz, Frankel and notably Grætz, the famous historian.

Other branches of purely Hebrew learning began to be cultivated, and the scientific methods of the Christian schools slowly found their way into the midst of the Jews. The beginning of the century saw the first Jewish Review, in which Heine's friends and contemporaries collaborated, in which Zunz published his first essay on Rabbinic literature, and the close of it sees the gigantic undertaking of Funk and Wagnalls, a Jewish Encyclopædia in twelve huge volumes! It is to be the embodiment of the scientific results obtained solely in the course of the century.

The larger mass of the Jews, those who remained behind in the East of Europe, have participated only to a lesser degree in the modifications which have shaped the life of their better-situated brethren in the West. In political liberties, in aspirations, in the new feeling of consciousness, in social equality and in work in the field of science, they have kept pace with their immediate neighbors, always trying for the best and often succeeding. The religious conflicts also found an echo in those lands, but it took some time before they penetrated behind the Chinese wall which resists the entrance of Western ideas into the mighty Empire of the East. But there are no permanent barriers against the spirit. It scaled these walls also, though a considerable interval elapsed ere it reached the masses living beyond. The conflict is still going on, but a movement, since begun, is driving the Jewish life into new channels.

On the other hand, the receding wave of a once mighty Messianic enthusiasm left on the strand the germs of a new mystical teaching, which resembles in one way the vagaries and miracles told by the Monks of the Nitrian Desert and the tales of Avva Pahomius and St. Antony, and in another the principles

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that underlie the conception of the Dalai-Lama of Thibet, the ever-recurring incarnation of Buddha as the visible intermediary between God and man. The Hassidim, with their wonder-working "Rebbe," the living incarnation of a superhuman intermediary between them and God, the substitution of a Quakerlike, enthusiastic form of worship at times when the spirit moves them, and freedom from other ceremonial injunctions connected with worship and prayer, is to a certain extent the form which reform has taken in the East. Unconsciously rebelling against some rabbinical tenets, it has contributed in its way to undermine the older form and to disintegrate Judaism in a peculiar manner.

To the impartial observer of these internal changes within the spiritual life of Jewry, they appear like the dead leaves scattered by the first shaking of the old tree by the storm of persecution that rages; they fall from the stem of Judaism, and are the humus out of which a new life will grow. And a new life is growing. The manifold causes which have contributed to the awakening of Jewish self-consciousness for at least half a century have not disappeared without leaving great results. If nothing is lost in nature, dumb and speechless as it is, still less is anything lost that has been stirred in the human soul once awakened. It may change, but it will be like the caterpillar which becomes a butterfly. Just as little as the Middle Ages could be restored or the Ghetto revived upon the old lines, so little could one expect to find the Jews any longer with that broken spirit that submitted to ignominies. Self-consciousness once awakened will not allow itself to be lulled again into a lethargic sleep. The unity of Israel has also been practically demonstrated by the Jews during the century. They have contributed to the emancipation of the body, as well as of the spirit, of their less fortunate brethren. The cause of the Jews in one country has been felt as that of the Jews in all other countries. This feeling was more pronounced in those countries where the Jews believed themselves to have obtained absolute equality in every respect with the other inhabitants. Such was the case in France, England and, recently, in America. The principles advocated are those of human liberty, of equal duties and equal rights. In the name of these great principles, men like Sir Moses Montefiore and Adolphe Crémieux could not allow the horrible blood accusation against the Jews, formulated for

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the first time again in 1840 in Damascus, to pass unchallenged. They stood up for their falsely accused brethren and defended their cause not merely in England and France, but personally in Constantinople and Alexandria, and there refuted these baseless calumnies.

The result of that mission to the East has been much more far-reaching, for it led to the establishment of an Association whose principal object is to protect the Jews in those countries where they are still kept in a kind of social bondage, and to promote their emancipation by legal means. Thus was the *Alliance Israélite* founded in Paris. In 1870, during the Franco-German war, when the Alliance in Paris was crippled, a branch was established in England, identical with the French in all its aims. Spiritual emancipation was part of the programme, hence the foundation of schools in the East.

With the modification of the status of the Jews in Europe, and with the changed conditions under which the peoples grew up, the former part of the Alliance's activity may be said to have come to an end with the Russo-Turkish war. The spirit of chivalry and of generous impulses has from that time forward been completely driven out of Europe. Each country, every government, inaugurated for itself an era of self-interest of the basest commercial type. With a few noteworthy exceptions made by the English Government, the nations turned a polite but none the less deaf ear to the complaints made of the barbarous treatment of the Jews in Roumania and Russia. The Alliances becoming thus mere institutions for the establishment of schools—in itself a very laudable but not a very courageous or lofty undertaking—the Jews were forced to seek remedies within their own powers and guided by their own experiences. The close of the century saw an attempt on a larger scale to give expression to this feeling of self-emancipation. The misery which refined legal persecution is bringing upon millions is growing hourly in the East of Europe, and the disappointment among the Jews of the West to find themselves, after years of toil and self-sacrifice, ruthlessly thrust back within the walls of a moral Ghetto, the uncertainty of the future combined with the self-consciousness and the feeling of national life, which is slowly dawning upon the Jewish masses—all these contributed to endow the idea of resettlement in the old land of their fathers with

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a new and immediate significance. The idea of establishing Jewish colonies in Palestine has gone through some stages already. It began on a serious basis in 1880, and Baron Edmond de Rothschild of Paris has contributed almost exclusively to the success which has attended these undertakings. Baron de Hirsch imitated the example, but sent his Jewish Colonies to the Argentine. The Jewish Colonization Association, the heir to his fortune, partly reversed his policy and identified itself largely with the colonization of Palestine by Jews. The masses worked on parallel lines with these men, and out of their midst sprang the new movement known under the name of Zionism—that is, the return to Zion as a political unity.

We are standing at the beginning of this movement, which alone will assist in solving one of the most perplexing problems in modern sociology, will free Europe of an element which is still considered as alien, and will be treated as such, according to circumstances. There are some, among the richer Jews, who have vested interests and narrow conceptions; they are held fast in the meshes of self-delusion and cannot differentiate between the rights and duties of a citizen and the historical obligations of a national and religious life; they are still holding aloof from this movement. The vast masses, however, the sufferers and toilers of the earth, have rallied enthusiastically round it. This is the sign under which Judaism enters the new century.

It is idle to speculate at this juncture what the result may be for the progress of the higher ideals of mankind. A mighty wind of reaction is blowing all over Europe. We are moving on the down-grade, from equality, fraternity, freedom and right, to racial hatred, national exclusiveness, military brutalization and dynastic tyranny; from the free and serene atmosphere of human faith to the swamps of Mysticism, Occultism, to the Inquisition and the Stake. But far away the dawn of a new life is visible, a new day which will disperse the shadows that are settling down, a day rising again from the regenerated East, from the Orient inhabited again by its own sons—Jews living a national life, competing for the best and working for the highest, blending the civilization of the West with the poetry of the East, and giving to mankind the message of better days: *"Ex Oriente lux."*

M. GASTER.

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THE NEW POETIC DRAMA.

BY W. D. HOWELLS.

WHATEVER doubts the mature observer of himself may have as to his power of enjoying poetry, he can have few or none as to the exacting character of his taste in it. In the absence of other means of accounting for my preferences, I wish to put forward this theory in explanation of my comparative liking for Mr. Stephen Phillips's two poetic dramas, "Paolo and Francesca" and "Herod," and my comparative misliking for M. Edmond Rostand's two romanticistic melodramas, "Cyrano de Bergerac" and "L'Aiglon." If the theory will not approve itself as sound to others, it will, at least, convince me of my own sincerity, if not my authority in the matter; and, when all is said, it may leave the reader to his own unbiased judgment of the two playwrights.

I.

The prime difficulty in the way of the Anglo-Saxon critic who wishes to estimate a piece of French literature aright, is that he is not French; and yet this does not seem always to beset him. It seems quite possible for him to feel the reality in such work as Flaubert's, the De Goncourts', Zola's and Maupassant's, all of like epical quality; and why should not he feel the unreality in such work as Feuillet's, Cherbuliez's, Ohnet's and Rostand's, all of like melodramatic quality?

Whether he can or not, I shall always have my opinion that from the first I thought "Cyrano de Bergerac" of about the same ethical validity as an American historical fiction. Of course, it implied indefinitely more literary skill than our ingenuous rubbish; but, all the same, in motive, character and sentiment, it was tinsel. The skill was more apparent in reading than in seeing the play. In the closet, the weak points were much more safeguarded than on the stage. There, the dull, kind fellow to whom

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Cyrano sacrifices Roxane together with himself, appears more dull than kind; but the book shows him more kind than dull. His instincts are so modest and so generous, that he is worthy a better fate than being a foil to such a swashbucklering sentimentalist as Cyrano. He is, in fact, the saving grace of the piece, which, stripped to the naked ugliness of its main motive, is the action of a man, supposed of genius, of delicacy, of honor, of loyalty, who can betray the charming girl he loves to her passion for an intellectual inferior, because he morbidly fancies that, with a nose like his, he can never win her for himself. Cyrano is bound by everything that can bind a gentleman to save Roxane from her infatuation for Christian. But he sets all his powers to work in promoting it; makes love to her for his rival; marries his poor cousin to a man in whose person she adores Cyrano's mind; and, when he goes away to the war with Christian, writes back to her in Christian's name the beautiful letters which keep her deluded. One is ashamed to state a situation so artistically puerile, so morally atrocious, as if one became *particeps criminis* in confessing one's knowledge of it.

The setting of a nature so misshapen as Cyrano's is a gaudy and extravagant theatricism, full of bold bloodshed and swagger picturesqueness; with the coming and going of loosely relevant figures, full of the Period in their costumes at least; and with a company of Gascon cadets risen from the dregs of Dumas's musketeers. The whole concludes in a sort of Thackerayesque after-glow (fifteen years after), with the widowed Roxane embroidering in a convent garden, and Cyrano coming periodically to visit her. Against a tree, opportunely dropping its autumnal leaves, he props himself on the occasion of his last visit; and, in reading to Roxane one of her husband's letters, involuntarily betrays that he, Cyrano, was the writer of it, and of all poor Christian's letters. Then he dies in the act of meeting death with a drawn sword, while his bandaged head reveals his death-wound, a lackey, bribed by one of his many enemies, having dropped a billet of wood on him from an upper window, as Cyrano passed.

II.

This, in summary, is the melodrama whose weak points are defended by so many clever devices of the author, that, as I say, the piece reads less offensively than it plays. The carpentry is

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indeed admirably perfect; but what fills one with despair for the human race, is that carpentry should still be the acceptable thing with it. In a world which has had Shakespeare for three hundred years, and in an age which has seen the simple sublimity of living growth in Ibsen, carpentry is still overwhelmingly the preference of the theatre—and its public.

It is not strange that it should be the preference of the theatre; that is the home of make-believe, and it remains true to its traditions; and M. Rostand has fulfilled at least his mechanical duty in giving it a play which is mechanically very effective. Apparently, he gave it out of the innocent corruption of his own taste, which was depraved by false ideals of art, but which was not consciously false in "Cyrano de Bergerac."

One suspects something more of conscious depravity in the falsehood of "L'Aiglon," as if the author had taken counsel from the theatre for his aberrations from taste in the treatment of the poor little Duc de Reichstadt. A curious point in the psychology of the piece is that, intellectually, it is of the measure of a boy whose mind has been so dwarfed that, at eighteen, he has only a precocious child's conceptions and ideals of life. The play is as if imagined by the son of Napoleon dreaming, in the tutelage of Austrian diplomacy, of restoring that French empire which his father created and destroyed, while he amuses his inexorable captivity with the toy soldiers which he is scarcely allowed to pretend are French soldiers. He pervades it with his puerility so thoroughly that M. Rostand seems to stand in abeyance, and leave it to the limited personality which he has constructed, and which, in turn, apparently constructs the other personalities. There is a Marie Louise, motived and characterized as the severe morality of a brilliant child would have her; a bad, bad Metternich, as the poor boy would have seen him; a beautiful and magnanimous countess and cousin, as he would have had such a kinswoman; a much-masquerading old French grenadier, of like origin and texture; a good Fanny Ellsler, sent to corrupt the young dreamer, but really abetting him in his designs of escaping and returning to France; and so on. It is all very curious; and, if the piece were narrative and told in the boy's own person, it would be even important; but in the dramatic form, it seems to give the measure of the author's mind as well as the creature's.

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The finest thing in the play is that passage which ensues when the young Napoleon is left alone on the field of Wagram, which he had made the rendezvous of his fellow conspirators in organizing his expedition to France, and when, after the detection and defeat of his scheme, he begins to hear the solemn voices of the dead who died there to give his father victory. They are the very simple and natural voices of wounded and dying men, calling for water, for help, and complaining of their hurts, but not such voices as the conqueror can hear with complacency. It is a very touching and beautiful passage, and itself sufficiently attests the right of M. Rostand to be accepted as a genuine poet. But it is essentially lyrical; at its most poetical, it is subjective. It loses quality when the poet tries to turn it to dramatic account, as if to make it a party to some actress's exploitation of the situation. It is in vain that those voices change from wails of anguish to cries of battle; they do not then convince as before; and as a whole and finally, "L'Aiglon" does not convince. It leaves one without doubt that M. Rostand is a deft and skilful playwright, but with question whether he is so much more as to be a dramatist of great promise. His prime gift appears to be lyrical; and it is his lyricism which compensates the sentimentalism of "Cyrano de Bergerac" and dignifies the puerility of "L'Aiglon."

III.

I have hinted my conjecture that M. Rostand lends himself to the theatre, that arch-enemy of the drama; and I have to confess a like painful misgiving as to Mr. Stephen Phillips. I may be quite wrong, but in reading this poet's tragedy of "Herod," I had an uncomfortable sense as of the presence of a third party, which, upon closer examination of my consciousness, appeared to be an actor. It was as if the poet had taken instruction of the player, whose business it is most strictly and obediently to take instructions of the poet, if their common art is to prosper in forms of permanent beauty. The poet, to this end, may indeed humbly and carefully study the stage, but mainly to save himself from its falsity, and learn how to bend its traditions to his own veracity. He cannot know it too well, in order to make himself its master; but he had better not learn it at all, if he intends to make it his master. His affair is supremely with the literary side of the

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drama. It is the subordinate affair of the actor to adapt himself to the poet's conception, and find it theatricable.

I should like to insist upon this, at a time when the literary drama has given novel proof of its vitality in the work of M. Rostand and of Mr. Phillips; but very likely it is not necessary. The powers concerned will settle it between themselves, without reference to criticism; and I may have enough to do in supporting the thesis that Mr. Phillips's is a more dramatic talent than M. Rostand's; that is, he is at his best dramatic, and M. Rostand is at his best lyrical, and ekes out his minor dramatic force with his knowledge of the theatre.

Mr. Phillips's "Paolo and Francesca" affects me like a dramatic poem, written as independently of the theatre as if the theatre had not existed. One may say that, for the purposes of the stage, it has the vices inherent in such a poem, but its vices, if not Shakespearean, are Elizabethan. They are of the "spacious times," and he has in everything Englished the pathetic Italian story. This had been done more than once before, notably by Leigh Hunt, who cast it in narrative form, and I mean nothing depreciative, but wholly the contrary, in saying that Mr. Phillips's tragedy reminds one of the heroic couplets of Leigh Hunt, rather than the *terze rime* of Dante Alighieri. It could not be Italian any more than it could be medieval; one civilization is not possible to another, as one age is not possible to another. We can conceive of the heart-rending story on medieval and Italian terms if we read it in Dante, but if we read it in Phillips, we conceive of it on actual and English terms. It will not do to say how near to the mood of his savage time is the stoic anguish of the poet who heard Francesca tell her piteous story in that whirl of Hell, where he saw her rapt with Paolo. But one may safely say that the dramatic poem of Mr. Phillips, like the narrative poem of Hunt, is interfused with the sympathy of a race whose heart has grown tenderer in the six hundred years elapsed since Dante's nature lost its iron self-control in his swoon of compassion. It is English and modern, and the better for being English and modern; for the world is now abler to feel all the exquisite implications and extenuations of such a story than ever before.

IV.

"L'Aiglon" triumphed on our stage, not because it was power-

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ful, but because it was Napoleonic, and not through the Bonapartist history, but through the Bonapartist tradition, which was and will always remain alive in the popular heart. It lived by force of association in the hearts of the witnesses. The average witness, however, has no association with Herod, except the scriptural association, and the "Herod" of Mr. Phillips is of profane and not of sacred inspiration. It might as well, and, indeed, might better, be called by any other name, so far as the people who fill the theatres are concerned. These know the Herod who commanded the innocents to be massacred and John the Baptist beheaded; but they never heard of the Herod who married Mariamne of the Maccabees, and ordered her brother Aristobulus to be murdered.

They are obliged to ask themselves if there were two Herods; and the result is a mental confusion, and a final resentment, as of people who have been trifled with.

These would be the vulgar conditions of a popular failure of the piece, at least with us; though in London the play-going public may be more enlightened. On the literary side of tragedy, which does not touch the theatre or is farthest from it, I am afraid I cannot find "Herod" much more promising of remembrance. It affects me as artificial in treatment and conscious in origin; and, so far as I can see, it contributes to literature no new and interesting characterization.

The "Paolo and Francesca" did do this in one instance, if in no other. Lucrezia degl' Onesti is a personality added to one's associations with the original group of actors in the tragic fact. She is the more genuinely an addition because she is modern and not medieval. In fact, all the others are modernized, and this was as inevitable as it was impossible that Lucrezia should be medievalized. If she had been truly of the twelfth century (if it was the twelfth century that the rest were of), she might have relented towards Francesca, but only after Francesca was dead; she never would have been a mother to her while she lived. Francesca herself is tenderly and sweetly re-imagined by the poet as of a child-like innocence; but, perhaps, she was better as she was in the old story. She was, at any rate, less conventional, and a woman who felt herself married to Paolo rather than Giovanni, might have as naturally betrayed herself as a bewildered child. However, the question for criticism is the success or failure of Mr.

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Phillips on his own ground, and it seems to me that his success is such as one who wishes the poetic drama well may rejoice in.

V.

Not having seen either of Mr. Phillips's plays on the stage, it is as a reader with faith in the literary future of the theatre that I rejoice in them. He and M. Rostand have, on their respective levels, contributed to assure this. Romanticism, as the French conceived it seventy years ago, was poetical, and M. Rostand has achieved a romanticistic success in the spirit of the earlier eighteen-thirties. Romance, as the English imagined it in the great revolt against classicism, farther back in the last century, was poetic, and Mr. Phillips, so far as he has succeeded, has succeeded in the romantic spirit of Leigh Hunt, of Shelby, of Keats, of Wordsworth, of Talfourd, of Byron—poets by no means of the same quality, but of the same impulse. So far as M. Rostand and Mr. Phillips have possessed themselves of the theatre, they have taken it back to the time when it was still believed that the theatre must be literary.

But it must not be supposed that they are reforming the stage. The stage was already reformed. As poetry, Mr. Pinero's "Notorious Mrs. Ebbsmith" is greater than Mr. Phillips's "Paolo and Francesca," and a more heart-breaking tragedy than his "Herod" is the "Hännele" of Herr Hauptmann. *Un Drama Nuevo* of the Spanish dramatist, Estebanez, is a nobler melodrama on the romanticistic lines than "Cyrano de Bergerac"; and one hour of Ibsen in "Ghosts" or the "Wild Duck" or "Little Eyolf," or "Hedda Gabler," is full of more ennobling terror, more regenerative pathos, than all that both these poets have done. But, in remembering their betters, we must not depreciate the work of these poets. Perhaps in them the drama has usefully come to its literary consciousness, and, if it is now more boldly than ever before insisting upon recognition as literature, it is to the advantage, not only of the future poets, but of the present poets, whose work has sometimes seemed too good for the stage.

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